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ABSTRACT

As part of its world employment project, the Economic Policy Council of the United Nations Association of the United States formed the family policy panel to further examine the extent of ongoing changes affecting the family, the workplace, and the economy. In its work, the family policy panel concentrated on five issues considered central to the framework of any family policy: maternity and parental leaves and benefits, child care, maternal and child health care, equal employment opportunity and pay equity, and flexibility in the workplace. The panel arrived at a set of specific policy options which are presented in this document prior to discussions of the family and the labor force, implications for families, implications for employers, international perspectives on family policy, and the five policy issues mentioned above. Appendix A provides a table of basic data concerning maternity, paternity, and parental leaves as of 1984 in other western industrialized countries, such as France, German Democratic Republic (East Germany), Italy, Sweden, and the United Kingdom. Appendix B presents six case studies involving Merck & Co., Inc.; American Can Company; Steelcase, Inc.; Service Employees International Union, AFL-CIO-CLC; Communications Workers of America, AFL-CIO; and Empire State Day Care Services Corporation. Information about the Economic Policy Council, the United Nations Association of the USA, and its reports and book series is also included in the document. (RH)

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ECONOMIC POLICY COUNCIL OF UNA-USA

EPC

WORK AND FAMILY IN THE UNITED STATES: A POLICY INITIATIVE

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A Report of the Family Policy Panel

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Economic Policy Council of UNA-USA

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FOREWORD

Robert O. Anderson
Douglas A. Fraser
Chairmen, Economic Policy Council

American society has been transformed in the last three decades by economic, social, and demographic trends that have had a dramatic impact on the work force and the family. Today, nearly half of the labor force is female, and married women with young children comprise the majority of all new labor force participants. Fewer than 10 percent of American families fit the traditional mold of a married couple with children where the husband is the sole provider. Not only do both parents in most married couple families work, but the number of single-parent households headed by women has increased rapidly with the growing frequency of divorce and unwed motherhood. Most children in the United States today have working parents, and most parents must balance the competing demands of work and family responsibilities. It is essential that all governmental, economic, and social institutions fully recognize these current realities and respond to them with supportive work and family policies.

The Economic Policy Council (EPC) launched the family policy panel as part of its world employment project to examine the extent of ongoing changes that are affecting the family, the workplace, and the economy. Similar changes have occurred throughout the developed world, and

most other industrialized countries have long considered family policy an integral component of all domestic economic and social policy formulation. The EPC panel arrived at a set of recommendations that lay the foundation for a family policy in the United States. Family policy is human-resource policy and is vital to the social and economic health of our nation.

Since the members of this panel include leaders from the business, labor, and academic communities, these policy proposals reflect the consensus that is so crucial for government action. Any consensus, however, is the result of compromise, and therefore the recommendations contained in this report may not precisely reflect the individual views held by each panel member.

This project was made possible by generous grants from the Ford Foundation and the Rockefeller Foundation. The collection of papers presented to this panel will be published by Ballinger Publishing Company as a separate book entitled Parents and Work: Family Policy in Comparative Perspective.

In 1985-86, the EPC will be continuing its panel study on U.S. policy toward the newly emerging industrial countries, and the Steering Committee is currently considering an additional panel topic for the spring.

These studies are part of the continuing EPC series on international economic issues. The series includes: The Jobs Challenge: Pressures and Possibilities (April 1985);

The Global Repercussions of US Monetary and Fiscal Policy (September 1984); U.S. Trade and Economic Relations with Japan and Mexico (October 1983); The Productivity Problem: U.S. Labor-Management Relations (October 1983); and U.S. Policies Toward the World Bank and the International Monetary Fund (August 1982).

EXECUTIVE SUMMARY

Alice S. Ilchman
John J. Sweeney
Chairpersons, Family Policy Panel

Widespread economic and demographic changes in the United States have reshaped our basic social structures--the workplace and the family--and redefined the relationship between them. The tremendous growth in the rate of women's labor force participation, the escalating divorce rate, and the increasing number of single-parent families have all contributed to the transformation of the workplace and the traditional family structure. Working parents are increasingly unsure of how to balance the competing pressures of job and family responsibilities. Yet major institutions in our country--from the federal government to the workplace--have not fully recognized or responded to these changes. Most industrialized countries have implemented family policies to accommodate the changing economic and social environment. The United States has not.

A national family policy would strengthen the foundation of the family and the competitiveness of the economy by providing a supportive infrastructure that would enable parents to successfully mediate the competing demands of work and family life and would contribute to worker productivity. This panel chose to concentrate on five issues that are central to the framework of any family policy: maternity and parental leaves and benefits, child care, maternal and child health care, equal employment opportunity and pay equity, and flexibility in the workplace.

The panel arrived at a set of specific policy options. The central recommendations include the following. All women workers should be guaranteed a minimum of a six-to-eight-week job-protected maternity leave, with partial income replacement. All workers should be entitled to an unpaid but job-protected parental leave that enables them to spend time with their newborn or newly adopted children. A concerted effort must be made by all pertinent sectors in our society to ensure the development and delivery of affordable, quality child care services. Preschool programs must become broadly available on a voluntary basis. Equal employment opportunity and pay equity must be sought for women workers through the reduction of occupational segregation and the enforcement of existing equal pay and equal opportunity legislation. The serious lack of maternal and child health care services in the United States should be addressed, and such care should be provided to all women and children through the extension of Medicaid or through private insurance plans. Finally, in order to fully realize the goal of integrating work and family life, a high degree of flexibility must be provided in the workplace. This includes flexibility in attitude, in the scheduling of work hours and leave time, and in the design of employee benefits packages.

Family policy can be successfully implemented only if there is a broader societal recognition of the changing patterns of work and family life. Family policy is supportive of productive activity on the job and in the home. And by providing a more nurturing environment for our children, we are investing in the workers of tomorrow and in the resource that our country is most dependent on for its future economic growth and international competitiveness--human capital.

INTRODUCTION

The majority of Americans are finding that their work and family lives increasingly come into conflict. These conflicts have been created by the social and economic changes that have swept through the mainstream of our society, transforming the structure of the family and the composition of the labor force. The purpose of this report is to examine these changes, in particular the multifaceted causes and effects of the dramatic increase in women's labor force participation, and to assess the consequences for both the family and the workplace. Our intent is to identify the existing opportunities for government and for institutions --from the corporation to the public school system--to respond to and to help mediate the conflicts that are developing as a result of the fact that today most parents are in the work force and nearly half the work force is comprised of parents with children under eighteen.

Conventionally, social institutions in the United States have been organized in ways that implicitly assume that the "traditional family" (a wage-earner husband, a homemaker wife, and two or more children) is the dominant family type. Currently, fewer than 10 percent of American households correspond to this model. Whereas in 1960 both parents were in the work force in only 32 percent of married

couple families, today 75 percent of all children live with two parents and in 61 percent of these families both parents are employed. Furthermore, one of every two recent marriages is expected to end in divorce, and now over half of all American children will spend some part of their childhood in a single-parent household. Most children today have a working mother: 70 percent of mothers whose youngest children were between six and thirteen years old, 60 percent of mothers of children between three and five, and 50 percent of mothers of children less than three were in the labor force in 1984.[1] Despite these radical changes, we are still confronted with a legacy of private and government policies and practices that are based on the traditional family structure.

Changes in family structure have affected the majority of children and adults, yet with very few exceptions, the schools, the workplace, the relevant government agencies and legislation, and our attitudes as a nation have not fully recognized or addressed the widespread social and economic implications of these changes. One striking example is the limited supply of child care services that currently exists despite the fact that in 1982 only 26 percent of young children were being cared for in their own homes for the entire day. While it is of critical importance to the nation's social and economic well-being that children--our

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[1]U.S. Department of Labor, Bureau of Labor Statistics, September 19, 1985.

most valuable resource--receive proper care, nurturing, and supervision, there is nevertheless a tremendous demand for quality care that is going largely unmet.

The multitude of problems that have arisen from the changing work and family patterns are visible among families at all income levels but find their most extreme, and therefore their most painful, expression in low-income and minority families. In 1984, 43 percent of black families were headed by women,[2] and 52 percent of these families were poor.[3] The median income in such families was $8,452 compared to $29,612 for two-parent families of all races.[4] While regular employment opportunities would help many of these families pull themselves out of poverty, for many single mothers the absence of affordable child care makes employment impossible.

The problems of single parenthood and limited employment opportunities, including restricted access to health care, child care, and good educational facilities, are amplified in the black community and among other disadvantaged groups. Yet nationwide, children as a whole have become our single largest disadvantaged group. Nearly one

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[2]US Bureau of the Census, Household and Family Characteristics 1984, P-20, No. 398.

[3]U.S. Bureau of the Census, Money, Income and Poverty Statistics of Families and Persons in the United States 1984, Current Population Survey, P-60-149, August 1985.

[4]Ibid.

quarter of all children in the United States today are being raised in poverty, and children comprise 40 percent of the poverty population.[5]

Present trends indicate that the pressures created by shifts in family structure and labor force participation will intensify in the coming decade. In the past decade, two-thirds of all new entrants into the labor force have been women, and this is likely to be the case through the 1990's. By 1990, it is predicted that about half of the labor force will be female and over half of all workers will be parents with children under eighteen at home. Some analysts believe that the United States is headed toward a labor shortage, and recent studies have predicted that the labor force growth rate may fall to 3 percent in the 1990-1995 period (from a growth rate of 10 percent in the 1975-1980 period). In this scenario it will be of even greater importance that new entrants into the work force be well-educated and well-trained.[6] Individual companies will be facing increasing competition in attracting and retaining the best workers. We cannot afford to remain a society that ignores the concomitant needs of children and employers that currently go unaddressed. Traditional attitudes and policies in the workplace often militate against long-run

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[5]Children's Defense Fund, American Children In Poverty (Washington, D.C., 1984), p. 22.

[6]For a discussion of labor force training and education, see Economic Policy Council, The Jobs Challenge: Pressures and Possibilities (New York: UNA-USA, 1985).

economic efficiency, while failing to respond to the present social reality and the concerns of today's workers. Training programs, benefits systems, and work rules and attitudes need to be reoriented to respond to what is soon to be the typical American worker: the working parent.

According to John H. Filer, former chairman of Aetna Life & Casualty Company (and cochairman of the EPC Jobs Panel):

> The resource that will most clearly distinguish us from others over time is our people. Their education, training, motivation, resourcefulness, mobility, flexibility, and sense of well-being and achievement will determine our relative success as a nation and our opportunities for success as individuals and business and professional people. (Paper presented to the EPC Jobs Panel, November 1984.)

Throughout the developed world changes in work force and family patterns, similar to those in the United States, have been occurring. Many countries have responded by implementing a coordinated set of public and private policies affecting families with children, or "family policies." Among industrialized countries, the United States is conspicuous for its slow response in policy and program to the impact that recent structural changes have had on the family, the workplace, and the schools.

This report focuses on five family policy issue areas that are integral to the reduction of conflict between work and family life: maternity and parental leaves and benefits, child care, equal employment opportunity and pay equity,

health care, and the flexible workplace. While each of these areas could form the basis of an entire report in and of itself, the purpose of family policy is to address these issues from a broader perspective and in a coordinated way. Vital to this perspective is an increased sensitivity to the competing pressures exerted on working parents and the recognition that greater flexibility in attitudes, institutions, and individual circumstances will be necessary.

In a field as wide as family policy, it is necessary for all sectors of U.S. society--government, schools, employers, unions, and community groups--to take an active role. The government role should include setting standards, guaranteeing and enforcing minimum statutory rights and benefits, and creating incentives for the private sector to address these issues in a serious, pragmatic manner. The potential role of the schools should not be underestimated. Schools should adapt their programs and perspectives to take into consideration both the educational needs of students and the child care needs of parents. School buildings and facilities represent a valuable resource, which should be made available to a variety of child care providers and to community groups outside of school hours. Employers and unions can implement creative workplace policies that will help their employees (or members) handle job and family responsibilities in mutually beneficial ways. The specific options appropriate to a particular employer and union will

vary according to the industry, the size of the company, the composition of the local work force, and the characteristics of the local community.

Our national interest will be best served if we can enable working parents to concentrate on their jobs without neglecting their families. We can no longer leave to chance an area of policy so primary to our country's social and economic fabric.

RECOMMENDATIONS[7]

FAMILY POLICY: A NATIONAL PRIORITY

Massive social, demographic, and economic changes have taken place in our society, redefining the concept of the family and the composition of the labor force. Nevertheless, our social, economic, and cultural institutions--from the workplace to the schools--have not fully recognized or responded to the fundamental transformations that have occurred. Mediating the dynamics of the ongoing changes must become a national priority.

(1) A national presidential or privately supported commission on contemporary work and family patterns should be established. The commission would be charged with reviewing current trends and assessing their implications for the workplace and the family, defining the basic tenets of a national family policy, and bringing these issues to

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[7]The panel recognizes that President Reagan's proposed tax reform might have significant implications for working parents and potentially for some of our policy recommendations. We felt, however, that it would be premature to analyze the possible impact of tax reforms at this time.

national attention. Commission members should be drawn from all segments of society and should include representatives from business, labor, academia, church groups, and community organizations. Individuals and institutions of all kinds must be made aware of the current social and economic realities and must begin to make appropriate accommodations to these structural changes.

A. MATERNITY AND PARENTAL LEAVES AND BENEFITS

Over one hundred countries, including almost every industrial country, have laws that protect pregnant workers and allow new mothers a job-protected leave at the time of childbirth with full or partial wage replacement.[8] The United States does not. In many countries, new parents are also entitled to a job-protected paid or unpaid parenting leave that enables either parent to stay at home to care for an infant in its first months of life.

In the United States only 40 percent of working women are entitled to a leave from work for childbirth that includes even partial income replacement and a job guarantee for the six to eight weeks most doctors say is minimally required for physical recovery.[9] Even fewer parents are entitled to an additional, longer, unpaid but job-protected child care leave for the purpose of caring for a newborn or an adopted infant. Nevertheless, the labor force participation rate of American women in their childbearing years was 64 percent in 1984[10] and is rising rapidly, particularly for women with very young children. In 1984,

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[8]Sheila B. Kamerman, comments to the Economic Policy Council's Family Policy Panel, September 14, 1984.

[9]Ibid.

[10]U.S. Bureau of the Census, October 17, 1985.

48 percent of all women with children under one year old were in the labor force. Ninety percent of working women will bear at least one child while employed. Two thirds of all new entrants to the labor force during the next decade will be women.

Women in the United States, more frequently than men, have work histories punctuated by periods of absence from the labor force. Studies have shown that even short employment breaks, especially when not job-protected, often result in a decline in long-run earning potential. These breaks partially explain the male/female earnings gap (see section C). Since childbirth and caring for young children at home are common reasons for the discontinuous labor force attachment of many women, maternity and parental leaves would be important mechanisms for enabling women to bear children and to remain in the labor force. The resulting increase in their income-earning potential could help many women become more self-supporting. In addition, greater continuity in women's labor force participation and a more highly experienced and skilled female labor force should contribute to increased productivity and growth. Maternity and parental leaves protect women during the period of physical disability at the time of childbirth, allow new parents to adjust to parenthood and to care for their new infants during the early months, and could potentially help close the earnings gap between men and women.

Recommendations

(1) Federal legislation should be enacted requiring public and private employers to provide Temporary Disability Insurance (TDI) to all employees. Temporary Disability Insurance provides income to people who are unable to work due to disabilities that are not job-related accidents or illnesses. Since pregnancy must be treated as any other disability (Pregnancy Discrimination Act, 1978), this would ensure that at least a minimum, partially paid leave from work at the time of childbirth would be guaranteed to all women. Currently only five states (California, Hawaii, New Jersey, New York, and Rhode Island) and Puerto Rico require that disability insurance be provided by private employers. In those states the wage-replacement ceiling varies from 50 percent to 66 percent of the employee's average weekly earnings, and the maximum level that the employee can receive ranges from $145 to $224.

While some employers voluntarily provide TDI, many do not. Since TDI is a low-cost, contributory benefit, it would not be prohibitively expensive for most companies--even small ones--to provide. In New Jersey, for example, both employers and employees contribute one half of 1 percent of the employee's first $10,100 in annual earnings to the program. The New Jersey program is currently running a surplus. Pregnancy-related disability claims accounted for

13 percent of all the state claims in 1981, the number of weeks during which disability was received averaged eleven, and the average benefit paid out was $108 per week.[11]

(2) Disability leave for all employees should be fully job-protected. Consideration should be given to raising the wage-replacement ceiling and to extending the standard length of disability leave for pregnancy from the current six to eight weeks. Minimum levels of income replacement and the duration of disability leave should become uniform among states. This would guarantee income, benefits, and the right to return to the same (or a broadly similar) job to all temporarily disabled employees.

(3) Employers should consider providing an unpaid parenting leave to all parent workers with their job or a comparable job guaranteed. This leave should extend until the child is six months old. During the employee's absence, the position could be filled by a temporary worker or the work could be redistributed among the current staff. In firms where this is not practicable, every attempt should be made, on a case-by case-basis, to provide new parents with additional leave time and flexibility in the months following the birth or adoption of a child. Parental leave,

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[11]Association of Junior Leagues, Inc., Parental Leave Options for Working Parents (New York: 1985), p. 11.

directly following the disability leave (available only to mothers to cover the period of physical disability), would be made available to either parent or could be split between them. The parental leave is explicitly designed to enable parents themselves to provide care for newborn or newly adopted infants. Federal and state governments should explore legislative means of encouraging and implementing this goal.

B. CHILD CARE

For parents who work outside the home and for those who would like to, finding care for their children can be a major problem and a constant source of anxiety, particularly in large, metropolitan areas. With the influx of women into the labor force, in particular mothers of young children, the need for child care in the United States has grown dramatically in the last two decades. Yet the supply of child care services does not come close to meeting the increased demand. Not only is it difficult to locate child care, but one study found that most working parents must piece together two to three separate care arrangements for each child. Child care can also be exorbitantly expensive, and the available services are often inappropriate to the needs of the child or to the preferences or schedules of the parents.

Recent estimates reveal that there may be as few as one million center care slots available nationwide. Approximately half of these places are in the over 11,000 child care centers funded federally through Title XX of the Social Services Block Grant. Federal funding for these centers has been cut by 21 percent by the Reagan administration, and despite the increased need for child care services, thirty-two states were serving fewer children in 1983 than in 1981. The most common out-of-home

care arrangement in the United States is informal family day care, and more than six million children are in this type of care.[12] Although more parents are looking to their employers for help with their child care needs, only 1,850 of the nation's six million employers currently provide any form of child care assistance.[13] Surveys show that the majority of all three-to-five-year-olds with working mothers are enrolled in some type of preschool program for at least part of the day. In addition, 400,000 children (only 18 percent of those eligible) were enrolled in the Head Start program in 1983.

In the United States, there were more than twenty million children under thirteen years old with working mothers in 1984, including nine million children under age six.[14] With the limited availability of child care in this country, there may be millions of children who are left alone while their parents work. In one survey, 23 percent of working parents admitted that they regularly left their children alone.[15] Other parents are not in the labor force

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[12]Sheila B. Kamerman, "Child Care Services: A National Picture," Monthly Labor Review, December 1983, p. 37.

[13]Dana E. Friedman, comments to the EPC Family Policy Panel, November 16, 1984.

[14]U.S. Department of Labor, Bureau of Labor Statistics, August 1984.

[15]Helen Blank, testimony of the Children's Defense Fund before the Joint Economic Committee Concerning Child Care Problems Faced By Working Parents and Pregnant Women, Washington, D.C., April 3, 1984.

solely because they cannot find child care. Over 45 percent of single nonworking mothers and 36 percent of all nonworking mothers with family incomes under $15,000 a year say they would work if affordable child care services were available. Child care services allow parents to become active members of the labor force, as well as improve the productivity, attendance, and turnover rates of parents who are already working.

In the area of child care, the scope is so broad that a wide array of initiatives must be taken. Effectively meeting the child care needs of children and parents will require the development of a variety of options that support and facilitate individual choice in selecting suitable care arrangements. The panel believes that the cooperative efforts of the public and the private sectors, the existing child care commmunity, and the public schools are required if the problems of child care in this country are to be overcome. The infrastructure available through the public school system is one potentially valuable resource, and the private sector and nonprofit civic groups should begin to explore the capacity and willingness of the public schools to work with them in providing child care services.

In the interests of efficacy and concrete action, we have addressed most of our recommendations to the public sector, the private sector, and the public schools independently. This is not meant to underestimate the necessary cooperation between the various actors or the

important role that must be played by the existing child care community in developing and administering new approaches.

Recommendations

The Public Sector

(1) The states should provide expanded, appropriate child care services, improve the training of child care workers, and enforce quality standards. The federal government should encourage these efforts by financing pilot projects and by earmarking additional funds for child care in Title XX of the Social Services Block Grant. Where federal funding is available, states should provide matching funds at an appropriate level.

(2) The Dependent Care Tax Credit, currently the largest federal expenditure on child care, should be expanded and made refundable. For example, the credit could be increased to cover up to 50 percent of expenses (currently 30 percent of expenses is the maximum coverage) on a sliding-scale basis, up to the present maximum level of $2,400 for one child and $4,800 for two or more children. If made refundable, this benefit would be of meaning to very-low-income families. The cost of the credit is currently over $2 billion annually, and these recommended

changes would increase the cost to the federal government by approximately $700 million. To limit the cost to the government, an income-level ceiling should be set and families with income above this level should not be eligible for the credit.

(3) Public policy at the federal, state, and local level should include incentives and remove obstacles to employer involvement in addressing the child care needs of working parents. Government policies and the tax structure should encourage employers to structure benefits programs to include child care assistance, for example through the continuation of Dependent Care Assistance Plans (DCAPs), which allow companies to subsidize child care as a nontaxable employee benefit. Information about DCAPs and other benefits plans that cover child care should be widely disseminated and well-publicized so that corporate managers and employees become aware of the availability of these plans. Flexible benefits plans are an excellent employer approach to child care assistance, since they enable employees to make choices that are consistent with their individual circumstances.

(4) Federal funding for the Head Start program should be increased and federal support for the Child Care Food Program should be restored to former levels. Head Start and similar high-quality preschool programs have been shown to

be cost-effective and to increase the future potential of disadvantaged children in nearly all aspects of life. Currently Head Start serves only 18 percent of the more than two million eligible children. The Child Care Food Program not only works to improve child nutrition and to offer supplemental support to child care providers, but it encourages the licensing of child care services, since only licensed programs are eligible. In 1981, funding was cut by 30 percent, or $130 million a year.

(5) High-quality, voluntary preschool programs should be developed and made available to every three-to-five-year-old. Quality preschool programs have been shown to have positive effects on children, intellectually and socially, especially on low-income children. These programs are also cost-effective in the long run: for every dollar spent on preschool programs, five dollars are returned in the form of lower public expenditures and higher public receipts.[16] With such putative returns, preschool programs should be rapidly expanded until they become broadly available to every child. These programs could be developed under the auspices of state and local governments and local school boards and could be delivered through a mixed public/private system.

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[16]U.S. Congress, Select Committee on Children, Youth and Families, Opportunities For Success: Cost-Effective Programs for Children (Washington, D.C.: August 1985), p. 20.

The Private Sector

(6) Employers and unions (or workers' representatives) should, where appropriate, address the child care needs of their parent employees/members by:

(a) becoming more responsive to working parents' child care concerns. In offering child care assistance, many options exist, including financial assistance (to parents and/or existing providers in the community), direct care provision, reduced and/or flexible work hours, and information and counseling services. One option is financial assistance through a flexible benefits program. Such programs may include a flexible spending account with an option for salary reduction that enables employees to pay for benefits with pre-tax dollars. Flexible plans do not prescribe what kind of care can be obtained, but provide employees with the tools and mechanisms to select the form of care that is best suited to their needs. Flexible plans also promote equity among employees and do not make one group of employees more costly to the employer than another group.(These plans, however, do include an element of public subsidy in the sense that benefits are paid for in pre-tax

dollars.) Employers and unions choosing to provide direct care--center-based or family day care--should make the decision to provide either worksite or near-home care with consideration to parental preferences. Sensitivity on the part of employers to working parents' need for time and flexibility in work schedules is very important, and this sensitivity should be reflected in attitude and policy.

(b) <u>supporting existing child care services in the community and assisting the community in creating additional services</u>. Local businesses, unions, and nonprofit groups can work in consortium to set up centers, organize family day care networks, and offer subsidies, training, and equipment to the care providers (Steelcase, Inc. is one successful example--see case study #3). Support should be offered to other groups in the community, such as churches, YMCAs/YWCAs, and civic organizations, in their efforts to develop child care services. Financial assistance directed at expanding the availability of child care can be offered, for example, by establishing start-up and revolving loan funds.

(c) linking into resource and referral services that provide information to working parents on the kind of child care options available in the community. If resource and referral services do not exist in the community, companies and unions should investigate starting their own. Through resource and referral services, companies and unions can play a significant role as a liaison between working parents and child care providers. Where they exist, employers and trade unions should aim to strengthen them.

(7) Business school curriculums and textbooks should be revised to address work and family issues. Students destined to go on to managerial responsibility should become more aware and responsive to the family and child care concerns of the work force.

(8) Churches, YMCAs, YWCAs, and other civic organizations should work to develop an adequate supply of quality child care services within their communities. Various civic groups often provide services that are essential to the well-being of their communities. It is important for these groups to recognize the crucial role they can play in the provision of child care.

The Public Schools

(9) Schools should begin to recognize that in their efforts to ensure excellence in education they also have the capacity to respond effectively to the needs of children whose parents work. Given that a majority of children have working parents, this ability should be viewed as a responsibility. This is especially true since the current drive to improve educational standards and performance in the United States has placed more emphasis on the role of early education. The important child care role that preschool programs can play should not be overlooked, and programs should be designed to address the needs of working parents as well as to meet educational and developmental objectives.

(10) Public kindergarten places should be increased in the states where they are not now available to all children, and full-day kindergarten should become an option available in all states. Local school systems should investigate ways to provide kindergarten as well as diversified before- and after-school programs, including full-time programs during school vacations for the children of working parents.

(11) School systems should support parents, the child care community, churches, and other civic groups in assuring an adequate delivery system for child care and preschool programs. Different types of programs will be appropriate for different children, different age groups, and different geographical locations. Creative responses are necessary in order to meet the existing needs. School buildings and facilities should be made available to independent programs, free of charge where possible, after school hours and during the summer (this is an option that the New York City school system has recently adopted). The cooperation and concrete assistance of the public schools could accelerate the development of a diversified delivery system for child care services.

C. EQUAL EMPLOYMENT OPPORTUNITY AND PAY EQUITY

Today, more than twenty years after the passage of Title VII of the Civil Rights Act (prohibiting discrimination in employment on the basis of sex, race, religion, or national origin), the effects of discrimination are still visible in the American workplace. Although 54 percent of all American women were in the labor force in 1984[17] and 44 percent of the work force was female, on average, full-time year-round women workers earned only 64 percent[18] of what their male counterparts earned. Working women still face many barriers to full participation and effective competition in the labor market. Women's disadvantaged position in the labor force--stemming from many causes including occupational segregation, discrimination, breaks in employment, and traditional attitudes--is an important factor in the male/female earnings differential. This earnings disparity has a negative effect on total family income, and the impact is particularly severe in households headed by women.

Most women work, including 61 percent of married women with children, and most of these women work out of economic necessity. In married couple families, the earnings of working wives can make a substantial contribution to total

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[17]U.S. Department of Labor, Bureau of Labor Statistics, August 1984.

[18]U.S. Bureau of the Census, Current Population Reports Consumer Income Series P-60. Advance report, August 1985.

family income. In 1984, the median income for all two-parent families with children was $34,668 when the mother worked, $23,582 when she did not.[19]

Deep-seated cultural forces have led to high rates of divorce and unwed motherhood and today 43 percent (2.8 million) of black families and 13 percent (6.7 million) of white families are headed by women[20]. In single-parent families headed by women, however, the relatively low level of women's wages means that annual earnings averaged only $11,400 in 1984. As a consequence, 35 percent of these female-headed families fall below the poverty level.[21] Over half of all American children can expect to spend some part of their childhood in a female-headed household. Two thirds of all poor adults are women, and nearly one in four children in the United States lives in poverty.

Some of the disparity between male and female earnings can be accounted for by differences in education, training, and preferences, and some is the result of a legacy of discriminatory practices affecting access to higher-paying jobs and compensation levels for female-dominated jobs. The rest may be a result of the substantial occupational segregation that continues to exist in some segments of the

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[19]U.S. Bureau of the Census, October 17, 1985.

[20]U.S. Bureau of the Census, Household and Family Characteristics 1984, P-20, No. 398.

[21]U.S. Bureau of the Census, Money, Income and Poverty Statistics of Families and Persons in the United States 1984, Current Population Survey, P-60-149, August 1985.

labor market. The U.S. Bureau of Labor Statistics reports that there is a direct, positive correlation between salary level and the percentage of male employees in a particular occupation. Most women work in jobs where the vast majority of employees are female, and today 80 percent of all employed women work in only 20 of the 427 occupations listed by the Bureau of Labor Statistics. Women predominate in relatively low-wage jobs such as secretary, sales clerk, bookkeeper, teacher, waitress, and household worker. In these fields, 85 to 99 percent of the workers are female.

Women are concentrated in jobs at the low-pay end of the spectrum for a variety of reasons. Although there has been improvement in recent years, traditional attitudes have persisted in the educational system and in vocational training programs. Consequently, we are still living with the effects of educational and career choices that incorporate a sexual bias. Hiring and promotional practices sometimes are influenced by attitudes that implicitly favor men, and some women may prefer "female" jobs or may choose these jobs because they believe such jobs might be more compatible with work and family responsibilities.

Developing a social infrastructure that can help to mediate workers' dual roles in the family and on the job is an essential element in any strategy for achieving pay equity between men and women. The current lack of supportive social structures and policies--including parental leaves, child care services, and flexible workplace

policies--undoubtedly contributes to the wage gap and to limiting women's employment opportunity. Parental leaves, for instance, can guarantee workers adequate time at the birth of a new child for physical recovery and emotional adjustment to their new parenting role. These leaves enable women, as well as men, to maintain continuous employment records and to avoid the decline in earning potential that often results from short employment breaks or unemployment. The availability of child care services has a large impact on parents' job choice and promotional opportunities, particularly for mothers who still hold the major responsibility for child care. Working mothers often accept jobs for which they are overqualified or that offer low pay because of the convenience of the job's location or because the work hours enable them to make adequate child care arrangements.

Without flexibility in the workplace, especially in terms of work schedules and leave time, many women are unable to take additional training courses or to accept promotional opportunities because the additional pressures and time demands come into conflict with their family responsibilities. Fundamentally, society must take steps to support, to a much greater degree than it currently does, the legitimacy--in fact the necessity--of women pursuing active roles both in the labor market and in the family. This entails a similar social recognition that men must share family responsibilities much more fully.

It is of fundamental long-term importance to our nation as a whole--not only to the half of our society that is female and to our entire next generation--that the male/female wage gap be narrowed and that occupational segregation be reduced. Our national economy would profit from the increased productivity and the more efficient allocation of human resources that would be achieved by opening new opportunities to women in the labor market. Many families would benefit greatly from the higher standard of living that an increase in women's earning power would make attainable.

Recommendations

(1) Our society, as a whole, must develop a greater recognition of the dual role of parents, male and female, in the labor force and the family. The legitimacy of both these roles must be fully accepted. All social institutions must be encouraged to develop policies and structures that can enable parents to function more productively in the workplace and in the home. In particular, the creation of a supportive infrastructure that would include parental leaves, child care services, and flexible workplace policies would help ease the disadvantages that those responsible for the care of children face in the marketplace. Such policies would assist women (who have generally been the primary caretakers of children) in achieving their full employment

and earnings potential and would encourage men to take on a larger share of child care and other family responsibilities.

(2) Every effort should be made to eliminate remaining employment barriers and to reduce occupational segregation. In particular, initiatives should be taken in education and vocational training programs to prepare and encourage women to enter "nontraditional" fields and to encourage male acceptance of women in these fields.

(3) The federal government should strengthen the enforcement of the Equal Pay Act, Title VII of the Civil Rights Act, and Title IX of the 1972 Educational Amendments. These measures have been effective in reducing barriers to women's full employment participation and in ensuring equitable compensation. The federal government should also strengthen enforcement of Executive Order 11246 (11375), which requires federal contractors to guarantee equal employment opportunity.

(4) Labor-management initiatives to promote equal opportunity are needed. Joint labor-management committees and, where appropriate, collective bargaining can facilitate the elimination of discrimination within the workplace, both through encouraging equal access to jobs, job training, and promotion and through the examination of the wage differential between men and women and the promotion of actions to narrow this gap.

D. MATERNAL AND CHILD HEALTH CARE

Almost every West European country has a national health plan that guarantees all pregnant women free, comprehensive prenatal care and delivery services and provides follow-up care to new mothers and infants. These services are effective in safeguarding the health of mothers and their babies. Preventive care also reduces the likelihood that children will encounter serious health problems later in life.

In the United States, the largest source of health insurance coverage is through employee benefits plans. However, with rapidly rising insurance premiums and falling employer contributions, many employees are experiencing reduced insurance coverage. There is evidence that at any one time up to 25 percent of the U.S. population may have no health coverage. Although some employees with employer-sponsored plans are also entitled to dependent coverage, this is becoming true less often because many companies, as part of cost-containment efforts, no longer pay for coverage to dependents. For example, many families pay most of the costs of pediatrics care. In 1977, 73 percent of all pediatric care was paid for by families, 15

percent by private health insurance, and 10 percent by Medicaid.[22]

Overall, thirty-three million Americans are completely without health insurance.[23] Thirty percent of divorced and separated women lose coverage when they are dropped from their former spouse's plan, and one third of all working women do not have basic medical coverage. Rising health care costs, including those related to childbirth, now can place a severe financial burden on the average family and often discourage families from seeking important preventive care.

The rising cost of medical services has disproportionately affected the impoverished. Medicaid reaches only 40 percent of the eligible poverty population. Poverty in the United States, however, is broadly dispersed. In 1984, 14 percent of our population were poor, but since the poor are primarily children and the elderly, many middle-class Americans may encounter poverty either in childhood or in later life.

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[22]Karen Davis, Chairman, Department of Health Policy and Management, School of Hygiene and Public Health, John Hopkins University, testimony before the Select Committee on Children, Youth, and Families, "Supporting A Family: Providing the Basics," Washington, D.C., July 18, 1983.

[23]The National Citizens' Board of Inquiry Into Health in America, Health Care USA: 1984, Volume 1, The National Report (Washington, D.C.: October 1984), pp. 16-20.

The impact of the high cost of medical care on American women and children is clearly evident. One in seven women of childbearing age and one in six children have no medical insurance, and nine million children receive no routine medical care. After years of improvement, in 1984 there were selective increases in the U.S. infant mortality rate, and one in twenty women received no prenatal care or none until the last three months of pregnancy.[24] This trend has developed even though studies have shown that early prenatal care is effective in reducing the rates of infant mortality, premature birth, and low birth weight. Babies born to women receiving late or no prenatal care are three times as likely to die in infancy as those whose mothers receive early care. For every dollar spent on comprehensive prenatal care, two dollars are saved in the infant's first year of life alone.[25]

Ensuring good health through preventive prenatal and child health care is cost-effective and enhances the physical, emotional, and intellectual well-being of our children and, ultimately, of our nation as a whole.

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[24]Ibid, pp.1 and 29.

[25]Select Committee on Children, Youth, and Families, Opportunities For Success: Cost-Effective Programs For Children (Washington, D.C.: August 1985), p. 5.

Recommendations

(1) Complete prenatal, maternal, and child health care coverage should be extended, through Medicaid, to all low-income women and children not otherwise covered. While it costs $1,500 to provide complete prenatal and delivery services to a pregnant woman, it costs over $1,000 a day to provide intensive neonatal care to a premature baby. The average hospitalization cost for a premature baby is $20,000 to $40,000. The cost of extending medical assistance through Medicaid to all impoverished pregnant women and children under six is estimated to be on the order of $800 million.

(2) Private health insurance plans should offer an option that covers all expenses associated with prenatal care and delivery, and employer-provided insurance plans should provide the option of coverage of the employee's immediate family. Well-baby care (the accepted schedule of examinations for an infant in the first year, promulgated by the American Academy of Pediatrics) should be an option in all private health care plans.

(3) The Special Supplemental Food Program for Women, Infants, and Children (WIC) should be expanded. This program has been proven to decrease the incidence of low birth weight babies and to meet the nutritional needs of

pregnant and nursing women, infants, and young children who would otherwise be at risk. However, the program currently reaches only 3.1 million people, or about one third of those who are eligible. To provide a WIC nutritional package to a pregnant woman costs $30 a month, and it costs $35 a month to provide the package to an infant. (It costs $1,400 a week to hospitalize an infant for the treatment of malnutrition.)

E. THE FLEXIBLE WORKPLACE

The U.S. labor force, once predominantly composed of male heads of households, is now about 44 percent female. Most working women are mothers whose husbands are also in the labor force. Many working women are single parents. Nearly all working women, like working men, expect to work for most of their adult lives. Increasingly, parents with children under eighteen will be in the work force.

In the prevailing competitive economic climate, organizations are highly aware of the need to utilize labor efficiently and cost-effectively. To remain competitive, employers will need to adopt flexible attitudes in all aspects of their operations, especially in their use of human resources. New labor force policies must be developed to meet the exigencies of a pool of workers that is different and more diverse than in the past. Attracting and retaining a highly qualified work force is also of central importance and will become more difficult as we enter a predicted period of labor shortage in the 1990's.

The workplace, like most other institutions in the United States, has not typically been organized in a manner that helps mediate the competing demands that job and family responsibilities place on working parents. Most working parents find that in an unresponsive environment, the pressure of their dual role can affect their ability to

perform optimally at home and on the job. Developing a flexible environment in the workplace can help relieve these pressures and ultimately reflects the interests of the organization, the parent workers and their children, and society as a whole.

A truly flexible environment will exist only if top management is committed to building an overall flexibility in attitude that includes greater flexibility in the scheduling of work hours and leave time. Benefits packages should also be adjusted to meet the diverse needs of a heterogeneous labor force, and flexible benefits plans are a popular approach. These plans provide a variety of options that enable individuals to tailor benefits to best suit their particular circumstances. Options such as Dependent Care Assistance Plans and Employee Spending Accounts, for example, rather than prescribing a single solution, allow for broad flexibility and choice in the area of child care.

A growing number of corporations in the United States has begun to take steps in these directions (for example, see Merck & Co., Inc., case study #1). These changes should be encouraged.

Recommendations

(1) Employers should become more sensitive to the time pressures experienced by their employees and should permit greater flexibility in the scheduling of work hours and leave time. Working parents in particular need flexibility in working hours and working days so as to attend to sick children, family crises, and gaps in child care arrangements. Flexibility in work hours can be implemented in a variety of cost-effective ways, including: flexitime, compressed workweeks, flexible scheduling of vacation time, job-sharing, voluntary reduced work time and flexiplace programs. The degree and variety of flexibility, however, will be different in different industries and at different professional levels. Where practicable, successful flexible work schedules must be truly flexible, not simply alternative, but equally rigid, work schedules.

(2) Employers and unions (or workers' representatives) should explore the possibility of implementing flexible benefits packages in response to the new needs of the contemporary labor force and to the rising cost of benefits as a percentage of total labor costs. In 1981, fringe benefits represented 41 percent of payroll costs, up from 25 percent in 1961. Most traditional benefits plans were designed for the employee who was a male head of household, and since these plans often do not meet the needs or

expectations of today's workers, they are no longer cost-effective. Flexible benefits provide options that allow employees to structure their benefits packages to match personal priorities and individual circumstances. Flexible benefits can be implemented in numerous ways, and many companies will find that they can better achieve their objectives, including cost-containment, as well as satisfy their employees' needs, through a flexible benefits plan.

(3) Benefits legislation should be revised.

(a) The "constructive receipt" problem, currently the biggest obstacle in the way of flexible benefits, should be eliminated. Constructive receipt requires that if the option to take cash is one of several available options in a plan, the individual must pay taxes as if cash were selected, whether or not it is.

(b) Legislation should be enacted and maintained over a longer time period (at least ten years) to enable employers and unions to develop creative programs with the assurance that they will not have to change again soon.

(c) Carry-over of unused credits/benefits at year-end should be permitted in flexible benefits/employee spending account programs.

(d) Eligibility criteria should be clear and consistent. There should be consistent discrimination tests that apply to all forms of benefits.

(4) Employers should provide personal leave days to all employees. For working parents, these "personal days" allow them to attend to family emergencies, to participate in activities at their children's schools and child care programs, and to stay home to care for a sick child. Flexibility in when these days can be used is essential. Where it is impossible to accommodate additional personal leave days, great flexibility in the scheduling of vacation days should be made possible.

(5) Employers should allow female employees a phased-in return to work after childbirth, designed to provide a period of adjustment. Employers should also consider giving both male and female employees the option of working part-time (with prorated benefits) when there is a child less than two years old in their home. Part-time schedules can make it easier for employees who are parents as well as workers to coordinate their dual roles.

CHAPTER I: THE FAMILY AND THE LABOR FORCE

Recent Changes in the Structure of the American Family

The American family is a dynamic institution. It is still our primary social grouping, but the composition of the family has changed dramatically in the postwar period.

The trends that have had the most striking impact on the family have been the increase in women's labor force participation, the decline in marriage and fertility rates, the growing divorce rate, and the increase in unwed mothers and single-parent households. While it is debatable whether the rapid growth in women's employment has been a major cause of the changes in these other social patterns or the result of those changing patterns, the direction of change is clear.

The tremendous increase in women's labor force participation is the most significant of all these trends. Women are now likely to spend the majority of their adult lives in the labor force, and 44 percent of the total labor force is comprised of women. In 1984, 54 percent of American women were in the labor force, up from 38 percent in 1960 and 34 percent in 1950. Married women, and particularly mothers of small children, are increasingly seeking or trying to retain paid employment. Fifty-four

percent of married women, including 60 percent of mothers of preschool children and almost 50 percent of mothers with infants, were working in 1984. By way of comparison, in 1950, only 20 percent of married women and 12 percent of mothers of preschool children were employed.

People are marrying later (in 1960, only 28 percent of all women between twenty and twenty-four years old had never been married; by 1984, that figure had increased to 57 percent), and couples are delaying having children and are then having fewer children. In the mid-1970's, the fertility rate had dropped to about half of its 1950's baby-boom peak, to 1.8 children, yet more women than ever before are having at least one child.

The divorce rate has risen precipitously, up 115 percent since 1965. Currently, one out of three marriages ends in divorce, and if the present rate of increase continues, over half of all recent marriages may eventually end in divorce. Out-of-wedlock births accounted for 20 percent of all births in 1983, and almost one third of these births were to teenagers.[26] The increase in out-of-wedlock births and in the divorce rate means that over half of all American children will spend some part of their childhood in a single-parent household. Nearly 90 percent of these single-parent households are headed by women, and between 1970 and 1978 the number of these households increased by 81 percent. Consequently, 43

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[26]National Center for Health Statistics, October 16, 1985.

percent of black families and 13 percent of white families were headed by women in 1984.[27] The majority of these single mothers are employed, and so are most of their married counterparts. In 1984, both husband and wife were in the labor force in 61 percent of married couple families with children, up from 32 percent in 1960.

These trends make clear that when we speak of the "American family" today, we are no longer referring to a uniform configuration. The stereotypical "traditional" family--with a male breadwinner, a stay-at-home wife, and two or more children--now comprises only a fraction of American households. It is currently most common to find married couple families with both adults in the labor force as well as many families headed by a single parent. In our society, the definition of "family" is rapidly changing.

Women in the Work Force

The labor force participation of women has risen sharply, to 54 percent in 1984 from 34 percent in 1950. The rapid increase of working women has occurred simultaneously with a decline in the labor force participation rate of men, which fell from 83 percent in 1960 to 76 percent in 1984. Ray Marshall, former Secretary of Labor and currently

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[27]U.S. Bureau of the Census, Household and Family Characteristics 1984, Current Population Survey, P-20, No. 398.

Bernard Rapoport Professor of Economics and Public Affairs, University of Texas at Austin, observed that:

> The increased labor force participation of women has changed the character of the work force: women are no longer peripheral but integral parts of the work force, most women spend more time working than they do bearing children, and male and female expectations about self-realization from jobs and careers are converging. Unfortunately, conditions of employment have not changed to reflect the new realities. (Comments to the EPC Family Policy Panel, June 12, 1984.)

The growth of women's labor force participation and employment, especially relative to men's, can be explained by changes in the labor market. Although changing family patterns and economic need have pushed many individual women into the labor force in the last thirty years, women as a whole were also pulled into the labor force by the rapidly growing number of jobs open to women.

Historically, most women have worked in jobs where the majority of employees are female. Today, 80 percent of employed women work in only 20 of the 420 occupations listed by the U.S. Bureau of Labor Statistics. The most common jobs women perform are those of secretary, sales clerk, bookkeeper, teacher, waitress, and household worker. Women comprise 85 to 99 percent of the workers in these fields.

Since women are highly concentrated in service sector jobs (75 percent of the female labor force hold 64 percent of all jobs in this sector), the tremendous growth in the size of the service sector since 1960 has led to an enormous

expansion of job opportunities for women. In 1960, 58 percent of the labor force was employed in the service sector; by 1984, 70 percent of the U.S. labor force had service sector jobs. The growth of jobs in eating and drinking places, health, financial, and business services together accounted for more than 40 percent of new private sector jobs created between 1973 and 1980. Most of these jobs were and are held by women. While total employment in the United States grew by 24.5 percent in the 1971-1980 period, female employment rose by 43 percent, while male employment increased by only 13.7 percent. Current projections estimate that by 1990, 50 percent of the U.S. labor force will be female.

Occupational segregation in our economy is a contributing factor to the earnings differential between men and women. Not only do traditional "women's jobs" pay substantially less than "men's jobs" (and nearly 80 percent of working women perform "women's jobs"), but the Bureau of Labor Statistics reports that in all white-collar jobs there is a direct, positive relationship between the level of salary and the percentage of male employees in a particular occupation. As John J. Sweeney, international president of the Service Employees International Union (SEIU), AFL-CIO-CLC, pointed out:

> Despite the increase in women in the work force, women remain clustered in occupations at the low end of the pay scale. (Remarks before the EPC Family Policy Panel, December 11, 1984.)

Among full-time, year-round workers, women's earnings in 1984 averaged 64 percent of men's. Women earn less than men despite the fact that the average female worker is as well-educated as the average male worker, both having completed a median of 12.6 years of school. On average, a higher level of education, or a greater investment in human capital, should give both men and women greater earning power, but in a sex-segregated labor market, the return on this investment has not been equal. Overall, the average earnings of a female college graduate are less than the average earnings of a male high school dropout. In many cases, men's and women's wages are most similar when they first enter the labor force, but the earnings disparity widens dramatically within the first ten years of employment. In fact, white women's average earnings upon first entering the labor force have fallen relative to the average earnings of white men, from 86 percent in 1970 to 83 percent in 1980. More significantly, those women who entered the labor force in 1970 earning 86 percent of white male wages were only earning 68 percent of average white male wages by 1980.[28]

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[28]U.S. Bureau of the Census, Wage Differentials for Job Entrance by Race and Sex, December 1983.

CHAPTER II: IMPLICATIONS FOR FAMILIES

For both adults and children, the family is the primary economic unit as well as the main source of emotional fulfillment and stability. Sound family relationships are of central importance to the ability of adults to make creative and productive contributions to society and to the healthy emotional and intellectual development of children.

The effects of recent demographic and economic forces on the family are profound, and can be measured by the impact they are having on working parents and their children. Seventy-five percent of American children live with both their parents, and both parents in 61 percent of these families are employed. Twenty percent of American children live with one parent, 90 percent of them with their mothers, and nearly 70 percent of these single mothers are employed. Fifty-eight percent of all children under eighteen have mothers in the labor force. With these percentages of children living in households where all the parents are employed, the demand for child care has increased dramatically. As Charles F. Barber, former chairman of ASARCO, Incorporated, stated:

> Statistically, the family unit with most mothers of young children living at home and caring for the children is no longer characteristic of our society. Yet our institutions of government, of the

> workplace, and in the community for the most part continue to reflect the family structure of former times. Whether the changes in social structure are to be welcomed or regretted is not the issue. The fact is that a gap has been created which demands our concerned attention. How can a society where a majority of its mothers work outside the home best accommodate the birth, nurturing, and rearing of children? Needs, costs, and institutional requirements all must be considered in our search for promising approaches to the required accommodation. (Comments to the EPC Family Policy Panel, May 30, 1985.)

Most parents work out of economic necessity, and parents of young children generally have very little choice as to whether to care for their children themselves or to find alternative modes of care. Given these facts, the availability of child care is increasingly important to the well-being of the family, yet for the millions of children in the United States who need non-parental care for at least some part of the day, very few options exist.

Well over half of all children under age thirteen (twenty million, including nine million children under six) live in one- and two-parent families in which all the parents are in the labor force. The largest source of child care in this country today is the public school system, and this is a solution only for children six years old and over and then for only part of the work day. Some of the employed mothers work part-time and perhaps can care for

their children for the part of the day they are not in school (if they are old enough to be in school), but 67 percent of mothers of preschoolers and 73 percent of mothers of school-age children work full-time. In recognition of this, Gerald R. Ford, former U.S. President and the chairman of the Child Care Action Campaign, commented:

> We owe our children the valuable experiences that quality child care outside the home will open for them. And we will be helping to protect another national resource--our children.[29]

Judging from the existing information on the limited availability of child care in the United States, it can be estimated that upward of half of all working parents or well over one quarter of the entire labor force have real and disturbing anxieties associated with caring for their children. One survey reported that 70 percent of working mothers said that adequate child care helps their job performance.[30] Other studies have shown that for working parents, the inability to find child care (or if they find care, the anxiety associated with piecing together the two-to-three different care arrangements most parents must

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[29]Gerald R. Ford, "Child Care is For Everybody," Parade Magazine, October 23, 1983.

[30]Jane Whitbread, "Who's Taking Care of the Children?" Family Circle, February 20, 1979, p. 102.

rely on for each child)[31] limits the energy and effort they can put into their jobs, increases both their rates of absenteeism and of turnover, and reduces their productivity.

Parents' child care arrangements also affect their choice of jobs and promotional opportunities. Many parents, particularly mothers, are forced to accept jobs for which they are overqualified or that offer low pay and few benefits because some aspect of the job, such as the work schedule or proximity to home, permits them to take over more child care needs themselves and diminishes the conflict between their work and family responsibilities. Others are unable, or unwilling, to take additional training courses or to accept promotions because of the pressure that these additional time demands and responsibilities place on their already overloaded schedule of commitments.

Women are often unable to keep jobs (whether or not the jobs suit their skills and abilities and/or the constraints placed on them by their family responsibilities) because many employers do not provide any form of maternity leave or benefits. Women often lose their jobs if they become pregnant or if they choose to take any leave at the time of childbirth. It is estimated that less than 40 percent of all working women in this country have any form of maternity coverage. Most women who are covered have private insurance or disability plans.

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[31]Sheila B. Kamerman, Parenting in an Unresponsive Society (New York: The Free Press, 1980), p. 123.

Sixty-two percent of women in the United States between the ages of fifteen and forty-four are in the labor force, and 93 percent of these women are likely to have at least one child during these years. Childbearing and child care requirements restrict women's ability to take jobs for which they are qualified, and this results in an underutilization of human resources and in lowered productivity growth and economic performance. The demands of parenthood also curtail women's earning potential, forcing them into discontinuous work patterns, part-time employment, and jobs with low promotional opportunity. For women, a two-to-four-year break in employment will lower average earnings by 13 percent, and a five-year break will lower earnings by 19 percent. While similar breaks in employment have even greater impact on men's earnings (21 percent and 29 percent, respectively), many more women experience such breaks in employment, primarily for childbirth and childrearing, and the income effect on families with children is devastating.

Two incomes are often needed to keep a family above the poverty line. In constant dollars, median annual family income has increased by less than $100 since 1970. In times of high unemployment, two incomes are increasingly needed as unemployment insurance.

Median incomes of all husband-wife families, including those with only one earner, are more than double the income of single-parent households headed by women. One-third of

single-parent families headed by women are poor, and 16 percent of all families, 43 percent of all black families, and 13 percent of all white families are headed by women. Two-thirds of all adults in the United States who fall under the federal definition of poverty are women, and, popular stereotypes notwithstanding, two-thirds of the adult single women who are poor are white.

The most sobering aspect of the employment, income, and poverty picture is the effect it has on children. Forty percent of all people below the poverty level in this country are children, and almost one quarter of all children in the United States are poor.

One of the most alarming consequences of the growth of poverty in this country is the impact it has on the health of pregnant women and children. In particular, fewer women have been receiving prenatal care and fewer children have been receiving preventive health care since 1982 than had been the case previously. As a result, the incidence of infant mortality, premature birth, and low birth weight is up in many states, and the immunization of children against childhood disease has declined dramatically. These children are more likely to grow into chronically ill adults and inadequately educated or trained workers. Such trends are very costly to society, both in terms of lives and dollars.

Investment is needed not only in the current labor force but also in our children, the labor force of tomorrow. Children are the future of our country and are our most

valuable resource. The consequences of the economic deprivation that so many children experience today are well-documented; economic status is perhaps the single most powerful predictor of a child's opportunity for success, for well-being, and for self-sufficiency. Yet with increasing rates of child and family poverty and the growing number of children who do not have adequate adult care and supervision, it is clear that the current mix of labor market and social policies has not taken account of the changing relationship between work and family life in our society or the need for increased investments in human capital. As Alice S. Ilchman, president of Sarah Lawrence College, stressed:

> We must be concerned not only with the productivity of the current labor force but also with who will constitute the future labor force, and with the quality of care and rearing which prepares our children for the world of work. (Remarks before the Economic Policy Council, September 14, 1984.)

CHAPTER III: IMPLICATIONS FOR EMPLOYERS

The ongoing changes in family structure and labor force participation rates affect employers in ways that will become increasingly significant in the future. Today, most jobs are still formulated in a "traditional" manner, with the "traditional worker," not a working parent, in mind, and job requirements usually do not take account of the family responsibilities of workers. However, the traditional definition of the American worker--white, male, blue-collar--no longer applies to the majority of the labor force. White men had comprised 62.5 percent of the labor force in 1954, but by June 1984 they represented only 49.3 percent of all workers. In 12 percent of married couple families, the wife was the primary income earner, while approximately ten million other families depended on the earnings of a single woman.

The disjuncture between the needs of employers and the reality of many workers' lives has led to economic losses on all sides. When the National Advisory Council on Economic Opportunity concluded that the "poverty among hundreds of thousands of women already working underlines the failure of the `job' solution," it was observing one aspect of the losses caused by the conflict that sometimes exists between work and family. For employers, in particular, it is important to recognize not only what might be gained through the successful redefinition of this relationship but also

what might be lost with the failure to do so. The new and evolving relationship between work and family life can benefit the family as an entity and its members individually, and can equally benefit employers if the terms of the relationship are developed in their mutual self-interest.

Katharine Graham, chairman of the board of The Washington Post Company, in assessing the striking changes that are occurring in work and family life, offered a word of caution:

> We, as a society, must face up to these problems and industry should certainly do what it can. However, we walk a difficult line between encouraging companies to provide important benefits to their workers and requiring so many benefits that the companies' financial health suffers. If that happens, it may encourage industry to avoid these issues altogether, rather than working to resolve them. (Remarks before the EPC Family Policy Panel, March 7, 1984.)

The increasing labor force participation of women and mothers will continue in this decade. It is projected that by 1990, 60 percent of American women will be employed and that nearly 50 percent of the labor force will be female. Sixty percent of employed fathers will have working wives, and 45 percent of the labor force will be parents of children less than eighteen years old. Ninety percent of the female work force will become pregnant at some point during their working years.

It is also predicted that by 1990 the United States will be experiencing a period of labor shortage. It is estimated that 90 percent of the labor force in 1990 and 75 percent in the year 2000 will be comprised of people already in the labor force today. This means that there will be relatively fewer new entrants into the work force and that many of those new entrants will be women. Employers are going to have to compete vigorously to fill job openings with the most qualified people. The ability of employers to attract and to maintain a productive work force will depend more and more on meeting the needs of the parents and women who will comprise over half the labor force.

Benefits programs that meet the different needs of a pluralistic work force can be an increasingly important way in which employers can attract the kinds of workers they will need. The concerns of working parents, up until recently, have generally been neglected in the design of benefits programs because only in recent years have married women with children begun to enter the labor force in large numbers. When most employees were single women or men who had full-time wives, workers tended to be concerned only with the benefits relating to their family lives such as family health insurance, substantial pensions, and life insurance plans. With major changes in families and workers' lives, this is no longer true, and will be even less true in the future.

The external pressures on employers to develop family supports include the growth of families with child care needs, the cutbacks in public expenditures in family support programs, and the falling academic performance among children. Employers may react to these pressures out of a sense of social responsibility, but internal economic pressures also exist. These include the need to improve economic efficiency and the allocation of resources to meet the increasing competition in both national and international markets and the need to invest in human capital. Since family support structures can have a powerful effect on employee morale and performance, developing these structures is in the self-interest of all companies. While the companies most aware of these issues today are those with immediate recruitment concerns, many more will face recruitment problems in the future due to the anticipated labor shortage. These recruitment problems will be greatly exacerbated if steps are not taken to adapt the workplace so that it is more responsive to the family responsibilities of workers.

CHAPTER IV: INTERNATIONAL PERSPECTIVES ON FAMILY POLICY

Many West European countries already have well-articulated and coherent family policies in place. Many of these countries have recognized the socioeconomic need to facilitate the optimal labor force activity of all members of society. Family supports were developed as part of a firm belief that the support of families' childrearing activities is a social responsibility--an investment on the part of one generation in the next.

While most European countries have a long history of family policies (stemming from pronatalist, egalitarian, or protectionist concerns), current policies have developed in response to recent demographic and employment trends, similar to those trends in the United States. In some European countries, women, including the mothers of small children, have been entering the labor force nearly as rapidly as have American women. In 1980, 47.7 percent of British women were in the labor force (up from 39.5 percent in 1960); 75 percent of Swedish women (including 65 percent of mothers with children under seven years old) were employed; and 45 percent of French women with preschool children were working (compared to only 12 percent in 1950). The service sector of most European economies has also grown substantially, pulling many women into the work force. Service sector employment from 1960 to 1980 grew from 48 to 56 percent of the labor force in Britain, from 41 to 61 percent in Sweden, from 39 to 53 percent in France, and from

29 to 44 percent in Italy. Indeed, the growth in women's employment far outpaced the growth in total employment in all these countries during the 1970's.

In Western Europe, family policies and support structures have grown in tandem with changes in family structure and increases in women's labor force participation. For example, more than one hundred countries, including every industrialized country (except the United States), guarantee all employed women the right to a fully job-protected leave from work at the time of childbirth for an average duration of five months and accompanied by a cash benefit generally equal to the maximum insured wage. All the advanced industrial countries (except the United States) provide free medical services to cover ante-natal care, childbirth and follow-up care for infants and their mothers;[32] sixty-seven countries (not including the United States) provide a cash benefit--a family or child allowance--to supplement the income of adults rearing children. Many countries allow parents leave time to care for sick children. Sweden guarantees all parents the right to work a six-hour day until their child is eight years old.

Child care is also much more available to parents in Western Europe than it is in the United States, especially for the three-to-six-year-old age group. In France, 95 percent of this age group are in free public preschools, as

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[32]Sheila B. Kamerman, Maternity and Parental Benefits and Leaves, Center for the Social Sciences, Columbia University, Monograph No. 1 (New York: 1980), p. 17.

are 75 percent in West Germany and 70 percent in Italy. After-school programs are much more common in Western Europe than in the United States, as are family day care spaces and center care places for infants and toddlers. Olga Baudelot, of the Institut National de Recherche et de Documentation in Paris, pointed out that in France the provision of child care is seen as a problem "...that goes beyond the private family sphere and which presents itself to public authorities, their responsibility being admitted by everybody." (Remarks before the EPC Family Policy Panel, November 16, 1984.)

Those countries that have responded pragmatically to the increases in women's labor force participation rates, by easing the tension between work and family responsibilities, have not only been doing better by their children but have achieved more efficient allocations of human resources. This change is reflected in the narrowing gap between average male and female earnings. In Sweden, women earn 90 percent of average male earnings, up from 73 percent in 1970; in Britain, women's wages as a percentage of men's increased from 63 percent in 1970 to 73.5 percent in 1979; and in Italy, women's wages rose from 70 percent of what men earned in 1962 to nearly 84 percent in 1980. The persistently low earnings of women relative to men in the United States have had serious repercussions for children and families.

The narrowing of the earnings differentials in Western Europe is just one example of the power that structural supports for families have in diminishing some of the most pressing problems faced by working parents and society as a whole.

Family policies are in the mutual self-interest of the government, employers, unions, and families. Expenditures on implementing family policies should not be considered as consumption (i.e., a net expense), but as investment (i.e., paying for itself in the long run). As Carolyn Shaw Bell, Katharine Coman Professor of Economics, Wellesley College, put it:

> Family policies, in general, enhance and facilitate parental investment in their children. Today, appropriate family policies, designed for parents who are employed outside the home, are needed to ensure that, as a society, we make adequate investments in our children--in our future labor force. (Remarks before the EPC Family Policy Panel, February 13, 1984.)

CHAPTER V: POLICY AREAS[33]

A. MATERNITY AND PARENTAL LEAVES AND BENEFITS

Over one hundred countries, including every industrialized nation except the United States, have laws that protect a pregnant worker from job loss by providing a fully job-protected leave from employment at the time of childbirth and a cash benefit that replaces some, or all, of her usual earnings. In Europe the minimum paid leave is fourteen weeks but the average is five months, and many countries also offer a longer unpaid, but job-protected, parental leave for the care of a new infant that is available to either parent.

In the United States the only federal statute on maternity is the 1978 Pregnancy Discrimination Act, which states that employers that provide Temporary Disability Insurance (TDI) must treat pregnancy as they would any other disability. This entitles pregnant workers to paid disability leave for childbirth if disability insurance is available to other employees. In general this amounts to a six-to-eight-week leave, with partial wage replacement. In New York State, for example, this benefit equals 50 percent of earnings up to a maximum of $145 a week. However,

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[33]The panel is grateful to Dr. Sheila B. Kamerman for her participation in this project and would like to acknowledge her work in the areas of maternity and parental leaves and child care, which we relied upon greatly in our own coverage of these topics.

private employers are required to provide disability insurance in only five states (New York, New Jersey, Hawaii, California, and Rhode Island) and Puerto Rico, and elsewhere it is typically provided only by large employers. It is estimated that only 40 percent of working women in the United States have the right to a maternity leave, with partial wage replacement provided through either disability or private insurance policies. Some working women may be able to negotiate leaves on an individual basis.

As a recent California case reveals, however, even women with the statutory right to a maternity leave can have considerable problems in exercising that right. A leave from employment is a leave only if there is a job available when the leave is over. Many women return to work after a pregnancy-related disability to find that their jobs have been filled and that there are no vacancies. In 1982, Lillian Garland, a receptionist at California Federal Savings and Loan Association (Cal Fed) in Los Angeles, gave birth by Cesarean section and took a doctor-certified two-month disability leave for maternity. When she returned to work at the end of her leave, she was told that no job was available. Lawyers for California's Department of Fair Employment and Housing informed Garland that her employer's actions were illegal (a 1979 California statute guarantees a woman taking a pregnancy-related medical disability leave the right to return to her job for up to four months), and they took Cal Fed to court. In March 1984, the court ruled

against the plaintiff on the grounds that the 1979 California statute discriminated against men and gave preferential treatment to women, since men out on medical disability leaves were not also guaranteed reinstatement. The appeals court reversed this finding in favor of Garland. The case has brought the issue of maternity leave and the equal-versus-preferential-treatment debate to national attention.

Those in favor of equal treatment (including many feminists) argue that special treatment for pregnancy is sex discrimination and therefore illegal. Many add that protective legislation for women workers has historically had more negative effects than positive ones. Granting special maternity benefits would make women more expensive employees, resulting in discrimination in the hiring of women of childbearing age. On the other side of the debate are those who argue that since only women can become pregnant, special benefits for maternity do not constitute preferential treatment, but are necessary to guarantee women equal opportunity in employment (in much the same way as special provisions to accommodate handicapped workers provide equal access, but do not represent preferential treatment.) Sheila B. Kamerman, professor of social policy at Columbia University School of Social Work, commented:

> We can talk about parenting as a role for husbands and wives, but clearly maternity and pregnancy are uniquely female roles. If we are going to address the issue of full participation of women in the labor force, then we have to pay attention to maternity as a special issue. It is something that happens very infrequently in women's lives, and

> providing maternity leave certainly doesn't have to be seen as a substantial burden or an obstacle to any kind of career development. Despite this, however, given the potential for stigmatizing women workers as a consequence, only a gender-neutral policy can be equitable. This means, given the direction U.S. policy has taken, a "disability" policy supplemented by a parental benefit. (Remarks before the EPC Family Policy Panel, September 14, 1984.)

The real problem stems from using disability insurance as the mechanism to provide maternity leaves in the first place. Not only do most companies not provide disability insurance, but even when they do, there is no guarantee that an employee's (male or female) job will still be available on return from the disability leave. A recent survey of Fortune 500 companies showed that only 38 percent of employers guarantee a woman her same job back after a disability leave for childbirth, 43 percent provide a comparable job, 6 percent offer "some" job, and 13 percent do not promise any job. Most women work for smaller companies, however, and may have even bleaker prospects for continued employment after childbirth. In some small companies no provisions for maternity exist and getting pregnant can be tantamount to getting fired. In others, informal arrangements can be negotiated. In short, the typical woman worker faces an uncertain job future if she gets pregnant.

No one seriously debates the fact that women require a period of physical recuperation and emotional adjustment after childbirth and before returning to work. But a debate

does arise over guaranteeing that the same or a similar job will be available upon an employee's return from the maternity leave. Employers, especially small employers, argue that maternity leaves are costly and that it is often difficult to leave a position open for the six to eight weeks of an average leave, since they may not have enough staff to fill in for that period. However, when the costs of hiring and training are considered, it is often less expensive to leave a position open; the majority of women who take time off to have a child return to work within three months. Disability insurance is a relatively low-cost benefit, and there is currently legislation pending in Congress that would mandate job-protected, unpaid minimum disability leave for all temporarily disabled employees.

Parental leaves begin where maternity leaves leave off. They are unpaid but job-protected leaves and are offered to new mothers and fathers for the purpose of staying at home to care for a new child. Parental leaves are common in Europe--for example, Italy offers a six-month leave, France a two-year leave, and West Germany a three-year leave--and often some part of the leave is paid. Parental leaves are relatively new to the United States, and even fewer companies offer these leaves than offer maternity leaves. However, parental leaves, and other kinds of personal leaves, are becoming increasingly popular benefits.

Parental leaves generally are not costly or difficult for an employer to implement. During the employee's leave, the position can be filled by a temporary worker or work can be redistributed among the current staff. Merck & Co. has successfully implemented such a policy by hiring temporary help to fill lower-level positions and by redistributing the work of professional or higher-level employees. As part of the pending legislation on minimum job-protected disability leave for all employees, there is also a provision for a minimum unpaid but job-protected parental leave.

Job-protected maternity and parental leaves enable a woman to have a child without losing her job, offer parents a period of adjustment after the birth of a child, and may help provide an infant a good start in life by allowing parents to choose the mode of care they prefer for their new infant. The child care function of parental leaves is very important, especially because of the expense of infant care and the very limited availability of quality infant care arrangements. Kamerman believes that parental leaves are an integral part of any good child care policy:

> Good infant care is very, very expensive, but if you have a maternity and parenting policy you will not see what we are now seeing in this country. As in no other industrialized country, large numbers of children at the age of six weeks and eight weeks are in group care programs where the quality is often lousy, mostly because nobody can really afford better care. (Remarks before the EPC Family Policy Panel, November 16, 1984.)

B. CHILD CARE

More parents are in the labor force today than ever before, and these workers have an acute need for affordable, quality child care services. While little is known definitively about how children in the United States are cared for largely because there is no systematic collection of data on child care arrangements, what is known is that the existing child care system is meager. In fact, federal child care support has declined even as the need for care has increased. But as Eli Ginzberg, director of Conservation of Human Resources at Columbia University, pointed out:

> The development of children has been a shared responsibility between family and society for centuries. Now, work and lifestyles are shifting the nature of this responsibility, and a society concerned about its future will recognize that it must be reinforced. The proper care for and the development of children remains a primary responsibility of parents, but not of parents alone. Only a society that has lost its bearings would risk neglecting to contribute--and liberally--to ensuring that the oncoming generation has the benefit of a good start in life. (Comments received by the EPC Family Policy Panel on March 22, 1985.)

Unfortunately, the United States has yet to make the care of its children a top priority on its policy agenda.

Most of Europe offers a quite different picture of child care. France probably best exemplifies the social acceptance and support of child care services. Despite the

cost involved in providing these services, France views child care as an important and a necessary investment. In Baudelot's words:

> A market economy would not have supported child care for such a long time if there were no benefits. Let us just mention those million women who are free to work without fear and the 500,000 others who have made a living out of child care and are consumers and taxpayers. (Remarks before the EPC Family Policy Panel, November 16, 1984.)

Out-of-home child care has a long history in France. Public preschool originated in the 1880's, and almost all three-to-five-year-olds enroll. Preschool, known as ecole maternelle, is free and is available to every French child.

Child Care Arrangements in the United States

There are many different forms of child care, including care in one's own home, care in the home of a relative, family day care (in the home of a nonrelative), and care in a group facility (center or school). Group care can be custodial (day care center) or can be provided under educational auspices (nursery school, prekindergarten, kindergarten). Child care is funded in various ways, including direct and indirect public subsidies, private subsidies, employer subsidies, and parental fees. The low wages paid to child care workers are another form of subsidizing the high cost of child care. In general, middle-income parents prefer educational forms of child care, while lower-income families, having fewer options because of high costs, take what they can find.

More than nine million children under six years of age have working mothers, and it is estimated that by 1990, twelve million children under six years old will have mothers in the labor force. Half of all women with children under three were in the labor force in 1984. The percentage of young children cared for in their own homes declined from 57 percent in 1958 to 26 percent in 1982. Forty percent of children are currently cared for by relatives in out-of-home situations. Most children are in informal out-of-home care, the majority of which is provided in "family day care homes." Almost six million children are in family day care homes. It is estimated that by 1990, one million family day care homes will be needed. Most family day care is unregulated.

In 1982, 19 percent of children under age five of full-time working women were cared for in day care centers and nursery schools. In 1981, there were an estimated 11,342 federally funded day care centers, in which about half a million children were enrolled. There is also a growing number of child care centers run by profit-making chains, which will probably account for a larger share of the market in the future.

The greatest demand for child care services is among parents of infants and toddlers (from newborns to two-year-olds), yet the most severe shortage of child care services is in the area of infant care. The high cost of infant care to both parents and providers is often

prohibitive. Even group child care providers who would like to offer infant care services often find that they cannot afford the high costs involved in hiring the number of caregivers needed. Similarly, many parents of infants find that the cost of care, averaging over $125 per week, is beyond their means. The primary care for the majority of very young children continues to be provided by family members and relatives. In 1982, almost 50 percent of employed mothers placed their infants in the care of relatives; 28 percent of such care was provided in the child's own home, and 20 percent in another home. About 30 percent of employed mothers placed their infants (under one) in out-of-home care with nonrelatives.

The cost of child care for preschool children is also a major problem, regardless of setting, provider, or type of care. Costs average between $45 and $75 per week per child and can be much more. Total annual costs range from $2,200 to $3,200 per year for group or center care, and from $1,200 to $2,200 per year in family day care.

Thirty-six percent of working mothers with three- and four-year-old children arrange for care by relatives in their own or another home, 32 percent place their children in day care centers and nursery schools, and 18 percent find care in the homes of nonrelatives. Many working parents must arrange multiple forms of child care for their preschoolers, since most programs run for only part of each day. It is interesting to note that, according to a 1981

survey conducted by the National Day Care Home Study (NDCHS), most parents who use family day care homes would rather use center-based child care for their children over three years old if it were affordable to them.

Over 70 percent of three-to-five-year-old children with working mothers are in a group program for at least part of the day, but full day care services for preschoolers are in short supply in many communities. For five-year-olds group care usually means kindergarten, usually public and usually part-day. For three- and four-year-olds it may mean a nursery or prekindergarten program, also part-day, but mostly private.

Although many three-to-five-year olds now attend preschool, there is evidence that participation in such programs depends on family income and the educational level of parents. This threatens to create a two-tier system of child care, with one group of preschool children in programs that have an educational component and the other group using more informal child care services. Early childhood education is, for society, a valuable investment in human capital. It should be available to all preschool children. Access to such programs--on a voluntary basis--not only would expand children's educational opportunities but also would fill a critical gap in the child care system and would offset some of the costs that working parents encounter.

Over eleven million mothers with children between the ages of six and eighteen are in the labor force, and nearly 75 percent of mothers with children aged six to eighteen are expected to be in the labor force by 1990. Less is known about the child care arrangements of school-age children than of any other group. It is estimated that between two and seven million children are left alone after school each day. There is currently a large, unmet demand for before- and after-school programs and vacation care for children between the ages of six and thirteen years old, otherwise known as "latchkey kids."

Although there is no comprehensive set of data on latchkey children, it is believed that they are vulnerable to any number of hazards, including fires, sexual abuse, alcohol and drug abuse, loneliness, and great apprehension. For many latchkey children, reliable after-school routines and support systems are virtually nonexistent. The potential harm these children might encounter is illustrated by a 1981 FBI report that showed that more than 25,000 children under the age of ten were arrested for violent crimes and that in Oakland, California, 60 percent of intentional fires were set by children, usually after school and before parents returned home from work.

At present, some school-age children are being cared for in family day care or by friends, neighbors, and relatives. School-based programs for school-age children are

also provided in some communities, generally as partnerships between the schools and other organizations or else administered completely by the school.

Between 1979 and 1980, 171 programs serving school-age children were identified nationwide. Although slightly more programs are in existence today, they are still only a drop in the bucket. There continues to be a great need for before- and after-school child care services for the many children who are caring for themselves.

While expanding the availability of child care services is of urgent importance, it is also critical that the care provided through existing and new services is quality care. It is unfortunate that income level is the major determinant of the standard of care arranged by working parents. However, there is a severe shortage of decent child care services for every income group. Most low- and middle-income parents must settle for custodial care because developmental care is a luxury they just can't afford.

Factors inextricably linked to the quality of child care services are the job commitment, work environment, and pay-scale of the workers who provide it. Most child care workers receive shockingly low salaries, with 87 percent of family day care providers earning below the minimum wage and 94 percent earning salaries below the poverty level.[34] As

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[34]U.S. Congress, Select Committee on Children, Youth and Families, Child Care: Improving the Options (Washington, D.C.: U.S. Government Printing Office, 1984), p. 97.

one member of Congress put it, the people who are entrusted with the care of our children are paid less than dog-pound attendants.

The turnover rate in the child care field, averaging 30 percent, is unacceptably high and is three times the rate of most other professions. In view of the low wages and few benefits provided to child care workers, it is easy to understand why the turnover rate remains so high, but it is more difficult to assess the impact these working conditions have on the ability of providers to offer high-quality services and, ultimately, the implications for the children who are served.

National attention has recently focused on the quality of child care centers following several sexual abuse scandals that have terrified parents from California to New York. Consumer advocate Ralph Nader has referred to some centers as "children's warehouses." The federal standards for child care regulation in existence ten years ago were eliminated when Title XX was incorporated into the Social Services Block Grant. Today, the states are primarily responsible for the establishment of child care standards and regulations, but in many cases there is only minimum enforcement. With most states under increasing financial pressure, they will be fortunate to maintain the quantity of care, but are unlikely to have the capacity to enforce standards.

Additional funding is critical if high-quality, affordable child care is going to become available to the millions of children who need it. As Ruth J. Hinerfeld, past president of the League of Women Voters of the United States, noted:

> We need to provide a basic floor of decent options for working parents and their children in order to mediate the tensions between work and family life. (Remarks made before the EPC Family Policy Panel, May 30, 1985.)

The Role of the Public Sector, the Private Sector, and the Public Schools in the Provision of Child Care

The Public Sector

It is widely recognized that in the field of child care there is a great need for increased services, and most observers feel that since different children, families, and communities will have diverse preferences and requirements, a variety of options need to be developed. Nevertheless, most agree that the public sector has a large role to play. As Kamerman pointed out:

> It's a mistake to suggest that the federal government isn't going to have a very significant role to play in paying for child care services. It seems to me the issue becomes one of what, if anything, are going to be the relationships between federal, state, and local governments with

> regard to how services are going to be paid for and what the relationship is between federal funding that's for low-income subsidized families versus middle-income or higher-income families. (Remarks before the EPC Family Policy Panel, November 16, 1984.)

The federal government is currently funding child care through a variety of laws that altogether total approximately $2.5 billion in expenditures. The largest source of federal funding is indirect, through the Dependent Care tax credits provided to families with day care costs related to employment or education. Additionally, tax deductions can be taken by employers who provide some form of day care assistance to their employees. Other federal programs consist of public subsidies for low-income families.

The Dependent Care Tax Credit for child care is a credit available to families with children under fifteen years old who incur child care expenses when both spouses work full-time or when one spouse works part-time or is a student. The credit amounts to 30 percent for taxpayers with incomes of $10,000 or less and is reduced by one percentage point for each $2,000 of income between $10,000 and $28,000. Since this credit is nonrefundable, it does not benefit most low- or middle-income families. Funding through the Dependent Care Tax Credit amounted to $2.06 billion in 1983. Of the 4.6 million families claiming this credit, 64 percent earned above the median-income level and only 7 percent earned less than $10,000.

Other tax provisions provide an incentive for employer-supported child care. The Internal Revenue Code excludes from an employee's gross income any payment by an employer for dependent-care assistance if the assistance is provided through a plan that meets specific conditions, as set out in Section 129 of the Internal Revenue Code. Employers can also receive tax deductions and credits for expenses related to the provision of day care, and they can take depreciation under the accelerated cost-recovery system for employer-supported day care facilities.

An important source of funding for child care services for low- and moderate-income families is Title XX of the Social Security Act. However, in 1981 Title XX became part of the Social Services Block Grant. Its budget was slashed by 21 percent, and $200 million in funds earmarked for child care services were eliminated. Under the Social Services Block Grant, states receive federal funds to provide social services. Although child care, traditionally, has been the single largest recipient of Title XX funds, states now have more freedom to design their own programs, to establish their own income-eligibility requirements, and to develop their own priorities for the use of funds. Congress has worked to restore some of the Title XX funds, but the reductions have significantly altered the ability of states to allocate funds to child care services.

Other federal programs that provide support for child care include Head Start, the Child Care Food Program, and the Job Training Partnership Act (JTPA). Indirect child care support for some working low-income families is provided through Aid to Families with Dependent Children (AFDC).

The very successful, federally funded Head Start program offers full-day and part-day educational, medical, and nutritional services to low-income preschool children, usually between the ages of three and five. The goal of Head Start is to bridge the gap in early childhood development that is thought to exist between economically disadvantaged and more advantaged children. However, this program currently is able to reach only 400,000 children, or one in five of those eligible.

The Child Care Food Program provides nutritious meals to children in child care centers, in Head Start centers, and in family and group child care homes. The program requires that all recipients of funding be licensed and regulated and so provides an incentive for child care providers to license their programs. It is an important source of child care funding, but it has been subject to massive budget cuts, totaling approximately 30 percent, over the past few years.

Additional federal funds for child care assistance are provided to recipients of AFDC who are engaged in employment training or search programs. The Job Training Partnership

Act allows training funds to be used to train child care workers, and 15 percent of JTPA funds can be used to provide support services, including child care, for persons enrolled in training.

While this patchwork of federally funded programs offers some support to a limited number of working parents and their children, it hardly addresses the scale of national child care needs. Moreover, the viability and stability of these programs are continually threatened with massive cutbacks in funding, as has been demonstrated in recent years.

In a recent survey of child care services in forty-six states, it was found that thirty-three states were serving fewer children in 1983 than in 1981; thirty-two states were spending less for child care; twenty-five states had made changes diminishing the quality of care; twenty-four states had reduced funds for training child care workers; and thirty-two states had cut back on the number of child care staff. These cutbacks in services, due in part to the reduction in federal support, emphasize that states must act to preserve and strengthen what exists and must work toward expanding child care services in their communities. An example of an innovative public sector approach at the local level is a new ordinance in San Francisco that requires developers of new or renovated office space of at least

50,000 feet and outside of downtown either to pay one dollar per square foot into a child care fund or to build a child care facility on the property.

The Private Sector

With clear leadership from the federal government and with a supportive public sector system, the private sector should be able to help fill some of the gaping holes in the child care system. Many employers, however, indicate that they do not feel that providing child care assistance falls into their realm of responsibility. As Rosalie J. Wolf, treasurer of the International Paper Company, explained:

> The private sector is ambivalent about its role toward women in the work force, especially women with children. Employers prefer to assume that solving family problems is the employee's job, a position which evolved when employees were mostly married males who were presumed to have homemaker wives. With more women in the work force, particularly women with children or women of childbearing age, employers assume that treating women "equally" means ignoring their family problems, too. And the whole issue of human capital tends to end up being too philosophical. (Remarks before the EPC Family Policy Panel, November 16, 1984.)

When employers are willing to offer child care support to their workers, they often prefer to do so through an existing child care system. The inadequacies of the current system may inhibit employers' ability to provide support. Alternately, an important consideration for employers

attempting to provide child care services directly is the availability of insurance (at an acceptable cost) to protect them against claims for damages a result of this activity.

Of the six million employers in the United States, the total number offering child care assistance is estimated to be only 1,850.[35] The various forms of employer-supported child care include the following:

(1) On- or Near-Site Care--Companies may provide start-up funds or contract with profit-making chains or nonprofit organizations to provide care. Smaller firms often form a consortium, with a group of companies jointly supporting one center. Generally, there is little ongoing support; few companies subsidize the fees to low-income employees.

(2) Family Day Care Homes--Companies contract with family day care providers and/or establish family day care networks. Family day care settings are flexible and can be located near home or work. Children of all ages can be accommodated, and if the number of employees participating increases or decreases, the program can still function.

(3) After-School Programs--Companies contract with community agencies that provide programs, sometimes through the public schools.

(4) Sick Child Care-- A number of companies send nurses into homes to care for sick children and some employers maintain twenty-four-hour hotlines. A few companies also provide sick child care leave to parents who want to be with their sick children.

(5) Resource and Referral--This service helps parents locate child care. It can help to develop community child care resources and to identify gaps in the child care system.

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[35]Dana E. Friedman, comments to the EPC Family Policy Panel, February 27, 1985.

(6) Vouchering--In this program the employer actually reimburses employees for some of their child care costs, usually by tax-deferred salary adjustments.

7) Discounts--Reduced rates are provided to employees of companies contracting with child care centers.

Among the approximately 1,850 employers offering child care assistance, there are 120 corporate and 400 hospital on- or near-site child care centers; 30 public agencies also have child care centers; family day care support is provided by 30 employers; after-school support is provided by 50 employers; 300 companies offer resource and referral services; and 20 employers have sick child care initiatives. Additional financial assistance is provided by a few employers in various forms: 25 employers provide vouchers, 300 offer discounts on child care, 75 provide comprehensive cafeteria benefits plans, and 500 have flexible spending accounts/salary reduction plans (for a full description of these plans, see pages 115-118). Between 500 and 1,000 corporate contributions are made to child care, and 500 to 1,000 employers provide parenting seminars.

Although a gradual growth in employer-supported child care is predicted, it cannot occur without an already high-quality, reliable delivery system of services in place. Employers need to work with their employees, with unions, and within their communities to ensure that such a system is

created. Employers can use their influence to encourage the public sector to provide the groundwork for child care services so that the various actors in the child care arena have something to build on. In the view of Dana E. Friedman, a senior research fellow at the Conference Board:

> There are other ways for corporate America to get involved. For instance, government relations departments of corporations could pay attention to the public system of child care. If companies had been aware of the impact that recent federal cutbacks have had on their own employees, then they might have joined forces with others who were working to prevent those kinds of cutbacks and the resulting problems. (Remarks before the EPC Family Policy Panel, February 27, 1985.)

The AFL-CIO, at its 1983 convention, called for national and international unions to emphasize the importance of child care. The labor movement is beginning to recognize that the growing need for decent and affordable child care should become a high priority on union agendas. With the growing ranks of women workers, it would be in the best interests of unions to include child care benefits in their negotiations.

There are some unions that have already taken the initiative in addressing the child care problems of their members and some that have formed joint labor-management committees to decide how best to approach the issue. Perhaps the most notable of these is the New York State Civil Service Employees Association, which, in conjunction with the state of New York and under the auspices of Empire State

Day Care Services (see case study #6), now has twenty centers in operation. The Amalgamated Clothing and Textile Workers Union (ACTWU) was one of the first unions to actively support child care initiatives. ACTWU opened its first day care center in 1968 and in 1977 was operating seven centers, serving 1,300 children. Unfortunately, today all of these centers have closed because the work force in the textile industry has contracted and grown older and there is now less demand for child care services. The International Ladies Garment Workers' Union (ILGWU) has opened a child care center in New York City's Chinatown, as part of a joint union, employer, city, and community group initiative. The Service Employees International Union Local 285 in Boston opened an on-site day care center at Boston City Hospital in 1982, which was the product of a joint labor-management committee on child care established previously in negotiations between the union and the employer. Another union involved in bargaining for child care benefits is the National Union of Hospital and Health Care Employees, RWDSU/AFL-CIO, which negotiated a contract in 1979 that called for the union and management to survey the need for child care at five large institutions.

However, many union leaders assert that they have met with limited success so far in negotiating employer-supported child care programs and, in fact, have met with some employer resistance. Other union leaders feel that child care should be the responsibility of the government, not

unions or employers, and some advocate that child care services should be delivered through the public school system. In the words of Henry Nicholas, president of the National Union of Hospital and Health Care Employees:

> While employers and unions can offer some supportive services to working parents and their families, the federal government must take a leadership role in strengthening families and in ensuring that the needs of parents and children are not left unattended. (Remarks before the EPC Family Policy Panel, February 13, 1984.)

The Public Schools

Public schools play a large de facto role in the child care system and can offer much-needed additional support by becoming more responsive to the needs of the children they serve and to the preferences and constraints of working parents. As an important institution in our society, the public school system has enough power and influence to play a major role in shaping child care policy in the United States. Albert Shanker, president of the American Federation of Teachers, AFL-CIO, thinks that:

> We will not have a universal availability of day care or early childhood education in this country unless it is sponsored by an institution that is permanent and has a continuity of influence and power....We have in the public schools a national delivery system which, in spite of criticism, has a widespread base of support as reflected in annual referenda and local budgets. Though school budgets experience some ups and downs in political and financial support, the stability of our public school system stands in sharp contrast to the precarious existence of our day care programs, graphically illustrated, for example, by the vicissitudes of Head Start, which, in spite of its success, once faced extinction. As long as

> such programs are viewed as frills or as exclusively anti-poverty projects, they will never be fully funded and will suffer from shifts of administration ideologies and the constraints of budgets. Therefore, early childhood education should become one of the givens of the public school system, not subject to the whims of fashion or partisanship or the fluctuations of the economy. (Remarks before the EPC Family Policy Panel, February 27, 1985.)

Still, the potential role of the public schools is unclear and must be carefully defined and developed in conjunction with the child care community. Many child care specialists are skeptical about the involvement of the public schools in developing and providing child care services. A first step would be to redesign existing public school programs to take into account the fact that most children have working parents. For example, unlike in other industrial countries, the lengths of the school day and the school year in the United States are relatively short, leaving large gaps of unsupervised time for the growing number of children with working parents. These schedules have remained rigid, reflecting the slow response of the public schools to the ongoing changes in our society. By responding to these structural changes in family lifestyle, public schools will be playing a larger role in child care provision.

One promising example of the possibilities in this area is a new initiative in the Prince Georges County (Maryland) school system. In September 1985, the county opened several "workplace" schools in an attempt to ease the

pressures on working parents while meeting a court order to integrate the county schools. Instead of the traditional residential neighborhood school location, the new, racially integrated workplace schools are located near employment centers or traffic routes that take Maryland residents to their jobs in the metropolitan Washington area. These schools offer day care before and after school and are open from 7:00 a.m. to 6:00 p.m., making it easy for parents to drop children off on their way to work and to pick them up on their way home. In addition to the regular elementary school curriculum, the schools offer music and dancing lessons, art classes, computer training, and remedial tutoring. The student/staff ratio is six to one. Parents pay $27.50 a week per child, which is considerably less than the average cost of private day care. County residents have welcomed the program as an alternative to busing, and it appears that the program will be a great success both in addressing the needs of latchkey children and in helping to integrate the county schools.

A number of studies, such as that of the recent Perry Preschool Program in Ypsilanti, Michigan, have demonstrated that there can be long-term economic and social benefits from investments in high-quality preschool programs. In general, the public school system is the logical physical setting for voluntary preschool programs that could be administered by the schools, or by community-based child care providers independently, or by both in conjunction with

one another. Jerome Kagan, a professor of psychology at Harvard University, believes that preschool benefits the larger society, and he offered the panel several examples:

> The primary cause of delinquency, which costs this nation millions of dollars annually, is academic failure....If more children were prepared for the task of reading by their entrance into grade one we would prevent more academic failures. Another major advantage of preschool is the possibility of diagnosing the six to ten percent of children who will be at risk for future psychological problems. (Remarks before the EPC Family Policy Panel, February 27, 1985.)

The public schools can also play a substantial part in the provision of before- and after-school programs. School facilities could be utilized for such programs, and schools could work with other community organizations and agencies to implement this vital child care service. New York City, for example, has recently made school facilities available to community groups, free of charge, from 3:00 p.m. to 6:00 p.m. on weekdays and during the summer.

In recent years, much concern has been voiced about the quality of public school education; nevertheless, the durability of the system and the national support it enjoys has not been questioned. It is unlikely that any new national institution will be created to take on the responsibility for preschool and before- and after-school programs. Since the public school system has the necessary

political clout, it makes sense that the public schools act as the lead institution in the efforts to make child care and preschool programs accessible to all children.

In addition to the public and private sectors and the public schools, child care programs are also provided through various nonprofit organizations, including church groups, YMCAs, and YWCAs. Churches are the single largest providers of space for early childhood programs in the nation, with nearly two million children being cared for in almost 25,500 church-sponsored child care centers.

C. EQUAL EMPLOYMENT OPPORTUNITY AND PAY EQUITY

In the United States today, dual-earner families are now the norm. Fifty-four percent of all married women are in the labor force, including 61 percent of married women with children. In married couple families, working wives and mothers earn a critical portion of family income, and in 12 percent of these families they are the primary earner. Prevalent cultural forces, including high rates of divorce and unwed motherhood, have contributed to the large number of families that are headed by women. Currently, 16 percent of all families are headed by a single woman, and her earnings are often the sole source of family income. The persistent pay differential between men and women helps to explain why 35 percent of families headed by single women were living in poverty in 1984. In that year, women, on average, were earning 64 percent of what men earned. Ensuring that working women earn equitable wages must be a high priority on any family policy agenda. As Dr. Lenora Cole Alexander, director of the Women's Bureau of the U.S. Department of Labor, noted:

> In numbers alone, women currently have a substantial impact on the United States economy. Their earning power and potential are especially meaningful in the context of the well-being of American families. (Statement before the Congressional Joint Economic Committee, April 3, 1984.)

For working parents and children, the importance of narrowing the wage gap cannot be underestimated, nor can the broad implications for our economy be ignored. The persistence of the male/female earnings differential is a result of various factors, including occupational segregation, discrimination, breaks in employment, and traditional attitudes.

According to some studies, discrimination in access to higher-paying jobs and in compensation is one of the major factors contributing to women's relatively low wages. As Heidi I. Hartmann, editor of a report issued by the National Academy of Sciences' committee on women's work and wages, pointed out:

> Substantial wage discrimination does exist. Our study concluded that this is particularly true of women's jobs, or jobs in which women are concentrated. In other words, these jobs would pay more if they were held by men, rather than by women. (Remarks before the EPC Family Policy Panel, June 12, 1984.)

The United States has several laws that explicitly prohibit employment discrimination: the Equal Pay Act; Title VII of the 1964 Civil Rights Act; Executive Order 11246 (11375); and Title IX of the 1972 Educational Amendments. The Equal Pay Act of 1963 requires that men and women performing similar jobs receive equal pay for equal work, making it illegal for employers to pay employees of one sex more than employees of the other sex who work in the same

establishment performing "equal work on jobs that require equal skill, effort, and responsibility,...which are performed under similar working conditions."

Title VII of the 1964 Civil Rights Act prohibits discrimination in employment on the basis of sex, race, or national origin. In 1981, the U.S. Supreme Court ruled, in County of Washington v. Gunther, that Title VII's "prohibition against discrimination in compensation is broader than the Equal Pay Act and prohibits discrimination even when jobs are not identical."

Executive Order 11246 (11375) prohibits federal contractors from discriminating on the basis of sex, race, color, national origin, or religion. Contractors who do not comply with this law can have their contracts terminated and can be debarred from future contracts. Federal contractors are also required by this law to take affirmative actions to ensure nondiscriminatory treatment in the recruitment, training, and upgrading of women and minorities. The federal government is responsible for initiating legal action when this law is violated.

Title IX of the 1972 Educational Amendments prohibits educational institutions and agencies from discriminating against students on the basis of sex in their admissions and financial aid procedures and in access to and treatment in curricular and extracurricular programs. This law also prohibits discrimination in the treatment of workers in educational institutions that receive federal funding. The

responsibility for enforcing Title IX lies with the federal agencies that provide financial assistance to educational institutions. These agencies may terminate funding if recipients fail to comply with this law. The Supreme Court, in Grove City College v. Bell (1984), narrowed the scope of Title IX to apply only to those programs within an institution that specifically receive federal funds, but Congress quickly introduced legislation to extend Title IX to all programs within educational institutions receiving federal funds. This legislation is still pending.

Direct intervention in training and labor-market processes, either through prohibiting sex discrimination or through the design of programs that enhance women's occupational opportunities, has resulted in the increase of women's representation in some occupations and industries that were predominantly male. Laws to eliminate sex inequity in education, including Title IX of the 1972 Educational Amendments, have also helped to reduce sex segregation in the workplace.[36] Legislation that provides equal employment opportunity to women workers is an absolutely essential prerequisite to narrowing the wage gap. While it is clear that there is enough legislation in existence to address the problems of discrimination in

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[36]Barbara F. Reskin and Heidi I. Hartmann, eds., Women's Work, Men's Work: Sex Segregation on the Job, Committee on Women's Employment and Related Social Issues, Commission on Behavioral and Social Sciences and Education, National Research Council (Washington, D.C.: National Academy Press, 1985).

employment, the law is not being adequately enforced. The federal government and the courts must take a leadership role in this area if existing legislation is to be effective.

The Equal Employment Opportunity Commission (EEOC) was created by Title VII of the Civil Rights Act to administer the employment provisions of the law. The EEOC's functions are to investigate charges of discrimination and attempt to resolve them through conciliation. In 1972, the Civil Rights Act was amended by the Equal Employment Opportunity Act, and the EEOC can now bring suit if conciliation fails. EEOC guidelines on sex discrimination prohibit hiring based on sex stereotyping, classifying jobs as "men's" and "women's," and advertising under male and female headings. The EEOC monitors employers who have at least one hundred workers. With the right to sue, the EEOC can seek enforcement of its findings. However, most charges are settled through administrative processes.

Equity in the workplace depends to a large degree on effective enforcement by the EEOC. While the EEOC has taken positive actions in the past, it currently claims that it has not been able to determine how to investigate the many wage discrimination charges it now has on file. It has also recently been reported that the EEOC has shifted its enforcement effort toward the investigation and settlement of individual charges and away from class-action cases that affect larger numbers of workers at lower costs and with

larger deterrent effects. In addition, the EEOC is altering its previous commitment to broadening the interpretation of Title VII. These shifts, consistent with statements from Justice Department officials, reflect a significant reorientation of civil rights policy.

The implications for employers who fail to eliminate sex-based wage discrimination are offered by several legal precedents that have been set. The first successful equal pay case, IUE v. Westinghouse, was litigated in 1981. Prior to the passage of Title VII, Westinghouse had a completely sex-segregated work force. The company conducted job evaluation studies in 1939 that rated certain jobs equally, but the jobs were distinguished by different wage rates --with all-female jobs paying less than all-male jobs. Following passage of Title VII, the company simply combined male and female wage schedules, placing all women's jobs in the lower pay grades and men's jobs in the higher pay grades. The court ruled against Westinghouse in 1981, charging that the company's new pay scales continued discriminatory practices.

Another well-known effort to eliminate discrimination is the case of AFSCME v. the State of Washington. That case culminated in a landmark decision by Judge Jack Tanner, who ruled that the "evidence is overwhelming that the state had

been practicing sex discrimination in violation of Title VII of the Civil Rights Act and that the discrimination is 'pervasive, intentional and in violation of the law'."[37]

Collective bargaining can also be an effective tool for facilitating the elimination of discrimination within a workplace through encouraging equal access to jobs, jobs training, and promotion and through the examination of the wage differential between men and women. Working to expand equal employment opportunity to all women may be one of the strongest organizing issues for unions today. Since two thirds of all new entrants into the labor force are now women, women represent a substantial and growing pool of potential members for the unions, which, for the most part, have suffered steep declines in membership in recent years.

Organized labor views the goal of negotiating bias-free pay structures as one of the most important contributions it can make to the stability of families in the United States. The AFL-CIO adopted a resolution at its 1981 convention that called upon affiliated unions to work through contract negotiations to upgrade undervalued job classifications, regardless of whether they are typically considered "male" or "female," and to initiate joint union-employer studies to identify and correct inequities between female and predominantly male job classes.

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[37]This decision was recently overturned by a federal appeals court. The case will now be appealed to the Supreme Court.

Programs that involve the joint efforts of labor, management, and the local educational institutions in efforts to train, upgrade, and educate workers for the benefit of the employer and the employee can be important elements of a pay equity strategy. For example, the Service Employees International Union has taken initiatives in this area through its LEAD program, and has developed apprenticeship programs in the service sector. These programs permit workers to maintain their current jobs and still get the necessary education, training, and accreditation to move into better-paying jobs. For example, at the present time, SEIU is apprenticing nurses' aides and orderlies to become LPNs, and LPNs to become RNs. SEIU's programs range from basic education efforts to the establishment of comprehensive career ladders within a workplace.

Union efforts have been an important force behind the achievement of pay equity in several recent contract negotiations and legal cases. Sweeney of SEIU, noting the effectiveness of collective bargaining in this area, commented:

> Of course, legal challenges and legislative efforts are important components of a strategy to eliminate wage discrimination. But our successes have come mainly through the power we have brought to bear in wage negotiation. (Remarks before the EPC Family Policy Panel, December 11, 1984).

Legislation and effective enforcement, union pressure, and employer initiatives are all necessary elements in any strategy to achieve pay equity. Rex R. Reed, former senior vice president for labor relations and corporate personnel at AT&T, commented on the joint efforts of his company and the unions representing employees in addressing the wage issue:

> Even though it was perhaps not necessary to follow through on this process, legislation was necessary to give the parties the impetus to participate in the process.(Remarks before the EPC Family Policy Panel, June 12, 1984.)

In some European countries where legislation has been implemented to correct pay inequities, change has become clearly visible. For example, in Britain, employment-equality legislation was put in place after directives were issued by the European Council. This legislation includes the 1975 Equal Pay Act directive, the 1976 directive on equal treatment, the 1978 social security directive, and a proposed directive on part-time work. The earnings of women relative to men in Britain increased by 18 percent between 1970 and 1977. This considerable increase occurred at about the same time that the equal pay legislation became effective. As Professor Peter J. Sloane, University of Aberdeen in Scotland, remarked:

> The U.S. preceded Britain in introducing equal pay and opportunities legislation and associated administrative apparatus and also has gone further

> in utilizing an affirmative action framework and extensive legal penalties for those who infringe the law. Yet in the mid '70s, it was in Britain that the relative position of women began to improve with regard to earnings, whilst in the U.S. the sex wage differential remained fixed as if through some divine law. (Remarks before the EPC Family Policy Panel, June 12, 1984.)

Over eighty members of the International Labor Organization have ratified convention 100, which encourages each member to "promote...and ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value."

While employment legislation is important, the other factors contributing to the wage gap cannot be ignored. These factors--occupational segregation and breaks in employment, among others, are deeply rooted in social forces and cultural attitudes and are much more difficult to address. Without effective training and career-development programs that allow workers to move into higher-paying jobs, the problems of the wage differential between men and women are never going to be solved. Women attempting to move out of low-wage, "women's jobs" are frequently confronted by the discouraging, sex-based expectations of employers; a lack of accessible information about jobs; a lack of experience or a fear of working with machinery or tools; a lack of child care services available to them; and traditional work schedules that do not easily accommodate the dual roles women must typically assume--at work and at home.

Every effort must be made to mediate the conflict between work and family responsibilities, which reinforces and exacerbates other social phenomena and constrains women's options in the labor market and their income-earning potential. For example, the lack of child care services is a powerful barrier to the application of equal employment opportunity. The need for child care cuts across all income levels, geographic areas, and race and ethnic groups, and the lack of adequate child care facilities constitutes a significant obstacle to parents seeking employment and training and is also often an ongoing problem for parents who are already employed. Developing a social infrastructure that helps mediate workers' dual roles in the family and on the job is an essential element in any strategy for achieving pay equity between men and women.

D. MATERNAL AND CHILD HEALTH CARE

Virtually every country in Western Europe provides free medical services to all pregnant women, including comprehensive prenatal care, delivery services, and follow-up care for new mothers and infants. These services are very effective in ensuring the good health of mothers and their babies. Such preventive programs also reduce the likelihood that these babies will encounter serious health problems as they grow older. In stark contrast, the United States has no national health insurance plan that provides maternal and child health care or covers the cost of childbirth. Private health care costs continue to increase and health care costs related to childbirth and childrearing place a heavy burden on the average family budget, often discouraging families from seeking important comprehensive care. As Douglas A. Fraser, president emeritus of the International Union--United Auto Workers and cochairman of both the EPC and the Jobs Panel, remarked:

> There are gross inequities in our society that don't exist anywhere else in the world. A person who is unemployed, for example, would not have to worry about health care for the family in any industrialized country except America. These vast disparities, in addition to the pressure from unemployment, cause great anxiety among many families. I can't believe that a country of our wealth cannot solve some of these problems. (Remarks before the EPC Family Policy Panel, May 30, 1985.)

Access to health care for all but the very affluent depends largely on employer-provided health insurance plans. However, employment in and of itself does not guarantee health care coverage. Forty-five percent of workers in firms with less than twenty-five employees receive no coverage; workers in nonunionized companies are six times less likely to have coverage than workers in unionized firms; and 31 percent of low-wage workers and 25 percent of agricultural workers are also uninsured. While most employers offer health insurance plans and many offer a dependent care option, employees are sometimes required to pay some, if not all, of the monthly premium. With premiums and deductibles increasing rapidly, it has become more common for employees to drop out of employer-offered insurance plans.[38] At any point in time, twenty-five million Americans have no health insurance, and as many as thirty-four million may not have coverage at some point during the year. The exorbitant cost of medical services means that uninsured people often forgo preventive care.

Women and children are disproportionately uninsured because they are disproportionately afflicted by poverty. Two out of three adults who fall below the poverty level are women, and children make up 40 percent of the poverty population. Thirteen million children are living in poverty

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[38]The National Citizens' Board of Inquiry Into Health in America, Health Care USA: 1984, Volume 1, The National Report (Washington, D.C.: October 1984), p. 3.

today, including three million who have fallen into poverty since 1981. One out of seven women and one out of six children have no health insurance. Medicaid, the most important public health program in the United States, provides prenatal care, delivery services, and preventive health care to impoverished women and children, but the program reaches only 40 percent of the eligible poverty population. The federal government has made cuts of over $4 billion in Medicaid funding since 1981; eligibility requirements have become stricter and reimbursement levels have gone down. In Hartford, Connecticut, the lower reimbursement levels led to 87 percent of the area's obstetricians-gynecologists refusing Medicaid patients. Hartford is probably typical of other cities. Federal cuts in the what were already minimal health and nutrition programs for the poor are jeopardizing the chances of millions of needy children to lead healthy lives and to have productive futures.

A number of related, alarming trends have developed in recent years. Nationwide, the percentage of women receiving early prenatal care has been declining over the last three years, and the incidence of women receiving no, or late prenatal care has been increasing. One in twenty pregnant women now receives no prenatal care or none until the last three months of pregnancy, and studies have shown that babies born to these women are three times more likely to have low birth weights. Low birth weight babies are twenty

times more likely to die in the first year of life or to suffer from handicapping conditions. Although the overall infant mortality rate continues to decline, in some states it is rising for the first time in decades. In some parts of the country infant mortality is higher than in many parts of the third world. Childhood immunizations have declined; fewer than half of all preschool children are immunized against childhood disease. One in eight children has not seen a doctor in more than two years, and one out of three black children has never seen a dentist.

One of the most disturbing aspects of these trends is that they are occurring primarily because the high cost of health care has led to cost-containment measures in private health plans that have left more wives and children of moderate-income workers uninsured and because federal funding for maternity and child health care programs has been cut. Congress has begun to respond to this trend. There is currently a bill in the Senate (Bill S-376), introduced by Republican Senator John H. Chafee of Rhode Island, that would mandate that employers providing health insurance must cover pediatric care or else lose their tax deduction for providing health insurance. Another bill, introduced by Republican Senator Bob Packwood of Oregon, would require employers to continue health care coverage to the spouse and children of a disabled or deceased employee. At the same time, cuts have been made in the Maternal and Child Health Care Program (which was cut by 18 percent

before it was folded into a block grant), in Medicaid, and in funding for community health centers, even though studies have shown that these programs are effective both in terms of the health benefits to the recipients and in cost/benefit terms to society as a whole.

In Ohio, for every two million dollars the state invested annually in prenatal care it saved eight million dollars. A Harvard School of Public Health study concluded that every dollar spent on prenatal care saves three dollars in hospitalization costs.[39] The depressing current trends in health care provision are occurring after a period of marked, steady improvement in several important areas of maternal and child health that took place during the 1970's. Only the very successful Special Supplemental Food Program for Women, Infants and Children has escaped recent funding slashes, and even so, the program reaches only one third of those who need it and are eligible.

These indicators of the deterioration of health and health care provision to women and children in this country represent social costs that are both enormous and unnecessary. That these costs are known, measurable, and preventable, and yet the fact that we, the richest nation in the world, do nothing to prevent the situation from deteriorating even further is unjustifiable on any level. The highest cost will be to our next generation, who, because they are likely to be less healthy, will place

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[39]Children's Defense Fund. A Children's Defense Budget (Washington, D.C.: 1985), p. 45.

additional strains on our health care and social welfare systems. The future work force could be less able and less productive as a consequence. The human costs are unmeasurable, but the threat to the health and strength of our country is clear.

E. THE FLEXIBLE WORKPLACE

Most institutions in the United States, including the workplace, have not yet responded or adapted to the reality that the majority of parents are struggling to balance both work and family responsibilities. Since work practices, schedules, and employer benefits traditionally have been built around the lifestyles of married men with wives who were full-time homemakers, they do not accommodate the circumstances of a large number of today's workers and their families. It is no longer meaningful to conceive of work and family as distinct worlds unto themselves. Most parents are workers and nearly half of all workers are parents. The stress inherent in balancing these dual roles affects the ability of workers to perform both on the job and in the home.

Employers can help to alleviate this problem by creating a more flexible work environment. This can be accomplished in a variety of ways, including, where possible, the development of alternative work schedules and the designing of benefits programs that better suit the needs of the contemporary American family.

Flexible Work Schedules

Flexible work schedules are a relatively low-cost way of accommodating the needs of working parents. Employers considering offering flexible scheduling to their employees have a number of options from which to choose[40].

Flexitime--Flexible work hours allow employees to choose their starting and quitting times within prescribed limits. The scheduling of flexitime breaks down into three different dimensions: (1) daily versus periodic; (2) variable versus constant length of working day (whether credit and debit hours are allowed); and (3) core time--the hours of the day when all employees are required to be at work. The various types of flexitime include:

* Flexitour--employees choose their own starting and quitting times but work the same eight hours every day;
* Gliding time--employees are allowed a daily variation in starting and quitting times, but must still work an eight-hour day;
* Variable day--the employer permits credit and debit hours (for example, an employee can work ten hours one day and six another day), but the employee must work a fixed total number of hours each week or each month;
* Maxiflex--credit and debit hours are allowed, and core time is not required on all days; it is possible to work full-time in fewer than five days.

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[40]See Stanley D. Nollen, New Work Schedules in Practice: Managing Time in a Changing Society (New York: Van Nostrand Reinhold/Work in America Institute Series, 1982).

Compressed workweeks--Compressed workweeks offer employees the opportunity for full-time employment in fewer than five days a week. Among the schedules used are: (1) four-day workweeks with ten-hour days; (2) three-day workweeks with twelve-hour days; (3) four-and-one-half-day workweeks with four nine-hour days and one four-hour day (usually Friday); and (4) the 5/4-9 plan of alternating five-day workweeks and four-day workweeks with nine-hour days throughout. Although compressed workweeks reallocate work time over the week, they do not change the length of work time and often do not allow employees control over working hours.

Permanent part-time employment--Part-time employment includes all work of less than thirty-five hours per week. A 1980-81 survey indicated that 42 percent of respondents thought that part-time work "would help a great deal to reduce work/family tensions."[41]

Job-sharing--Two part-time employees share one full-time job. The concept works best when two workers want to work part-time and there is one full-time job available. However, few companies currently have job-sharing programs in place, and usually only a handful of employees participate.

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[41]Sheila B. Kamerman, Meeting Family Needs: The Corporate Response (New York: Pergamon Press/Work in America Institute Studies in Productivity, 1983), p. 14.

Voluntary reduced work-time programs (V-time)--This time/income tradeoff option allows full-time employees to reduce work hours for a specified period of time.

Flexiplace--This option permits working at home, with or without the use of computers.

Cost associated with flexitime and compressed workweek schedules are minimal, but job-sharing and part-time employment present potentially higher labor costs. Since some labor costs are fixed per employee, part-time workers can increase per-hour labor costs. The higher costs associated with part-time employment result mainly from the cost of fringe benefits. While benefits paid on the basis of salary or time worked can be prorated, this is not always possible with statutory benefits. Some employers provide full-time benefits to part-time workers and make up the cost of the benefits package in higher productivity or reduced overtime payments. Other employers offset the high cost of benefits to part-time workers through cost sharing, with the employee assuming some of the cost of the benefits package. Still others provide few or no fringe benefits to part-time workers. While these employers might obtain short-run savings in labor costs by not providing benefits, in the long run costs may be increased due to the effect on job performance, turnover, and employee development.

One company that has recognized the importance of responding to working parents' needs and that has successfully implemented flexibility in the workplace is Merck & Co. According to Arthur F. Strohmer, Jr., director of Human Resources Planning and Development for Merck:

> Increasingly, and particularly for the growing number of dual-career couples and working mothers, family demands are more difficult to respond to solely during traditional after-hours time....A sick child frequently requires time off work--during traditional working hours. In an effort to provide additional flexibility to employees for whom family demands were more frequently clashing with work demands, Merck instituted Flextime. (Comments received by the EPC Family Policy Panel, June 5, 1985.)

Merck has tested a number of alternate work schedules to provide flexibility to employees, including Flextime, Flex-Place, and part-time work. These options are particularly attractive to working parents and employees who would like to make a gradual transition back to work after maternity leave.

Another aspect of workplace/work-time flexibility that employers should consider is flexibility in the use of vacation time and personal days. Many companies in the United States do not permit their workers to take single vacation days. Other companies require advance notice for the use of personal days, a practice that defeats the whole purpose, since personal days are usually intended to deal with unexpected personal crises. By allowing employees more flexibility in managing their time off, as well as their

time at work, employers can, with little cost, ensure that the conflict and tension inherent in juggling work and family time is minimal.

Flexible Benefits

Flexible benefits are an increasingly popular option that often can be an ideal way for companies to meet their dual objectives of satisfying employees' needs while containing the cost of benefits for both full-time and part-time workers. Flexible benefits are particularly attractive to workers who find that traditional packages, designed for the traditional working man, have very little relevance to their needs or lifestyles. As Robert F. Wright, a partner at Arthur Andersen & Company, commented:

> Flexible benefits are a politically and economically acceptable type of option for employers to consider. I think such plans provide significant potential for addressing the changing needs of workers. (Remarks before the EPC Family Policy Panel, May 30, 1985).

Flexible benefits are a sensible employer approach to issues such as maternity and parental leaves and child care. Not only do flexible plans promote equity among employees and ensure that one group of employees is not more costly to an employer than another group, but they allow employees to structure the benefits package to match their personal priorities and individual circumstances.

There are a variety of ways in which an employer can design a flexible benefits package. Some of the most common approaches[42] include:

The Core Approach: The existing benefits package is scaled back to a "core" or what is considered the minimum level of benefits employees should have. Each employee may build on that core by choosing more comprehensive coverage, additional benefits, or both. Dollars for these additions may come from a variety of funding mechanisms but the total amount usually equals at least the difference between the cost of the previous package and the core package.

The Modular Approach: The company chooses to establish several different benefits packages, each based on a typical employee subgroup. For instance, one package might be the existing set of benefits, probably geared to the needs of a male head-of-household with several dependents; another package might be geared to the needs of an older employee; yet another might respond to the needs of a single parent in his or her thirties. Employees are free to choose the package they feel is most responsive to their lifestyle.

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[42]Adapted from "Flexible Benefits: An Analysis of the Issues," by permission of Catalyst, 250 Park Avenue South, New York, N.Y. 10003. Copyright Catalyst 1983. Catalyst is the national not-for-profit organization that works with corporations and individuals to develop career and family options. For further information on flexible benefits, see Choice Benefits: A Guide to Setting Up a Flexible Benefits Plan in Your Organization, to be released by Catalyst in early 1986.

The Miniflex Approach: Only certain parts of the existing benefits package are made flexible. For instance, only medical coverage may be altered or only unused vacation days may be converted into credits and used solely to cover employee contributions to benefits. This approach could represent a gradual entry into flexibility, providing companies with a chance to evaluate one piece at a time. It can also provide some flexibility within a benefits package that does not contain many "extras."

The Reimbursement Account/Employee Spending Account Approach: Also known as the flexible spending account or the benefits bank, a reimbursement account is a particularly innovative method of designing and operating a plan. Each employee receives an account similar to a checking account with "flexible dollars" that may be spent on benefits or as reimbursement for other expenses. For instance, the items covered may include personal legal expenses, health club payments, co-insurance payments, or dependent care expenses. The basic benefits package is usually changed at the same time to give greater flexibility in those areas as well. A company could allow the account to be used only for choices among basic benefits, or for a large range of expenses, some taxable, some nontaxable.

The Salary Reduction Approach: The idea of salary reduction has gained considerable attention recently for its celebrated tax advantages to employees. Also called flexible compensation plans or Choice-Pay, this innovative

approach to benefits can help finance employees' choices under any flexible plan (e.g., core or modular) by enabling the employee to pay for any number of expenses with pre-tax dollars. Under such a plan employees are given the option of reducing their salary up to a set amount and having their employer use those dollars to reimburse them for certain employee expenses (e.g., child care and other dependent care costs, and medical, dental, optical, and personal legal expenses).

Employers are realizing that flexible benefits are a practical alternative to the traditional benefits package. According to Paul Moyer, a former vice president at the American Can Company:

> A large organization can establish and administer a flexible benefits program with a wide variety of choices....A flexible benefits program has the potential to maximize employee satisfaction while eliminating unnecessary waste. (Remarks before the EPC Family Policy Panel, February 27, 1985.)

It should be noted, however, that flexible benefits plans that involve an employee spending account or salary reduction provide some benefits through pre-tax dollars. This is in effect a public subsidy. Since these plans have been adopted by a relatively small number of employers, only an elite group within the total labor force benefits from both the flexible approach and the public subsidy.

Unions

Unions are not always receptive to flexible work schedules and flexible benefits plans. They object to permanent part-time employment on the grounds that it is

contrary to the interests of people who need full-time employment and earnings; they would like to achieve shorter workweeks or work years for all people without loss of pay, not part-time work for a few. There is also a fear that labor standards could be eroded, including the loss of fringe benefits, job security, and promotions, and some unions worry that part-time employment could contribute to occupational segregation. Part-time workers also tend to be more difficult to organize.

Unions are hesitant to embrace flexitime and compressed workweek programs because they fear that these schedules could destroy the eight-hour work day and the forty-hour workweek, which they fought so hard to bring about. Although in most cases national labor leaders have accepted limited types of flexible work hours, they usually do not accept debit and credit hours. Compressed workweek schedules are especially troublesome for unions to endorse, since they are comprised of ten- or twelve-hour days that conflict with the principle of overtime pay after hours. While the AFL-CIO leadership opposes changes that would affect overtime pay practices, local unions have increasingly undertaken initiatives in this area. And as Fraser pointed out:

> The shifts that are taking place in the world of work are obviously going to have a tremendous impact on American workers and their families. And although they won't entirely solve the problems encountered, shared work time, shorter work time, and flexible work time all have the potential to

> ease the burden and the pain of these transitions. (Remarks before the EPC Family Policy Panel, May 30, 1985).

It may be to the benefit of employers, employees, and unions to form joint labor-management committees that encourage mutual cooperation and creativity in the development, administration, and implementation of more flexible workplace policies. This approach has succeeded in West Germany, where 45 percent of workers are on flexitime schedules. Implementation of flexitime in some German firms was possible only after difficult union negotiations. In most cases, however, local unions were influenced by work councils, which are groups comprised primarily of labor union members who offer advice to management. The work councils have played a crucial role in the adoption and management of flexitime policies in West Germany.[43]

The flexible workplace is the workplace of the future. Anna-Greta Leijon, the Swedish Minister of Labor, emphasized the importance of flexibility:

> I believe working hours should become more flexible throughout the lifecycle....By flexibility I mean flexibility in keeping with the needs and preferences of the individual. I hope that liberty to choose one's working hours will become more extensive and more natural for everybody. (Remarks before the EPC Family Policy Panel, March 7, 1984).

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[43]Ibid.

With the changing demographics of the U.S. labor force, traditional concepts of work, work roles, work schedules, and employee benefits are also changing. Employers and unions need to become more sensitive to the needs of parent workers and more open to innovative workplace policies. Cooperatively developed workplace policies can respond to the needs of all workers, helping unions to organize new members and employers to attract and maintain a quality work force, an essential prerequisite to domestic and international competitiveness.

CONCLUSION

Maternal and parental leaves and benefits, child care services, equal employment opportunity and pay equity, maternal and child health care, and increased workplace flexibility are important components of a cohesive family policy. Policy initiatives in these areas can help mediate the conflicts between work and family life that have developed in our society as women have entered the labor force, reshaping the bounds of the family and the workplace. Family policies should be formulated to benefit employers, parents, and children. These policies represent a sound investment in human capital--our greatest resource--and are essential to promoting the continued vitality of our national economy and our nation's families.

APPENDIX A: MATERNITY, PATERNITY, AND PARENTAL LEAVES IN OTHER WESTERN INDUSTRIALIZED COUNTRIES—BASIC DATA, 1984

Country	Eligibility or Qualifying Conditions	Duration of Leave	Benefit Level or Rate	Financing	Job Security	Additional Benefits
FRANCE	Natural & adoptive mothers. 10 mos. in covered employment; 200 hrs. in first 3 mos. of last 12 mos., or 6 mos. contributions.	16 wks. including up to 6 wks. before expected birth (2 wks. reqd.) & 10 wks. after (6 wks. reqd.) 2 extra wks. if multiple births or complicated delivery. 6 mos. at birth of 3d or subsequent children. 10 wks. for adopted child.	90% of average insured earnings up to max. insured wage.	Contributory: employer, 10.25% of wages up to specified amt. then 2%; employee, 2.5%, and then 1%.	Same or comparable job, seniority & pension entitlements guaranteed.	Parental Education Leave to care for a young child. Unpaid up to 2 yrs. for either parent—same or comparable job guaranteed.
GERMAN DEMOCRATIC REPUBLIC	Natural mothers only. Employed women, full-time students & trainees. At least 6 mos. employment during prior year or 10 mos. in last 2 yrs.	26 wks. 6 wks. before birth (reqd.) & 20 after.	Full net wage up to max. insured wage.	Contributory: 10% from employee, 20% from self-employed.	Same or comparable job guaranteed, including seniority & pension rights.	*Supplementary Maternity Leave:* 26 wks. on the birth of a 2d & subsequent child paid at sickness insurance level (50% of wage).
ITALY	Natural mothers only. Currently working in covered employment. Wage-earners only (not salaried employees).	Up to 18 wks. (commerce 6 wks.; agriculture 8 wks.) before childbirth (longer if birth is delayed) & 3 mos. after. Mandatory leave.	80% of wages up to max. insured wage.	Contributory; but heavily weighted toward employer.	Same or comparable job guaranteed, including seniority & pension rights.	Optional supplementary 6 mos. leave at 30% of average prior wage with full job protection, for either parent.

APPENDIX A: MATERNITY, PATERNITY, AND PARENTAL LEAVES IN OTHER WESTERN INDUSTRIALIZED COUNTRIES—BASIC DATA, 1984

Country	Eligibility or Qualifying Conditions	Duration of Leave	Benefit Level or Rate	Financing	Job Security	Additional Benefits
SWEDEN	Natural or adoptive parent. Insured for 180 days for min. cash benefit; worked in covered employment for 6 mos., for leave. Only mother can use prenatal leave.	1 yr.; up to 60 days before childbirth. Benefit can be prorated as portion of days.	90% of wage up to max. insured wage for first 270 days (9 mos.); min. flat-rate benefit for last 90 days (3 mos.).	Employer, 7% of wage up to max. Govt. pays 25% of costs.	Same or comparable job guaranteed, including seniority and pension rights.	Right to unpaid leave until child is 18 mos. of age. Right to work 6-hour day (without extra compensation) until child is 8. *Sick Child Care Leave:* Up to 60 days per year for each employed parent, to care for an ill child under age 12, at home.
UNITED KINGDOM	Natural mothers only. Maternity allowance: at least 50 wks. in covered employment.	M.A.: 18 wks., up to 11 wks. before expected birth and 7 wks. after. (Prenatal leave can be extended if birth is delayed.)	M.A.: flat rate, plus earnings related supplement if eligible, up to specified maximum.	Contributory.	Same or comparable job guaranteed, including seniority and pension rights.	
	Maternity pay: at least 2 yrs. for same employer.	M.P.: 40 wks. of leave. Up to 11 wks. before and 29 wks. after.	M.P.: 90% of wage for a maximum of 6 wks.	Contributory.	Full job protection.	

Source: Sheila B. Kamerman, Alfred J. Kahn, and Paul Kingston. *Maternity Policies and Working Women*, New York: Columbia University Press, 1983. Reprinted with permission of the authors. Updated by Dr. Sheila B. Kamerman.

APPENDIX B: CASE STUDIES

1. Merck & Co., Inc.

Arthur F. Strohmer, Jr., Director,
Human Resources Planning
and Development

A. Background

Merck develops and manufactures products to improve human health, animal health, and environmental health. Merck is the largest ethical pharmaceutical company in the United States. The company is a leader in the research and development of drugs to treat high blood pressure, arthritis, and glaucoma. Merck is important in the field of antibiotics and is a leader in the development and production of vaccines for mumps, measles, influenza, and hepatitis. Merck medications for the prevention and eradication of parasites in animals are key contributors to meat production throughout the world. Water treatment systems and specialty chemicals for a wide variety of industrial and food uses round out Merck's product line. Merck is headquartered in Rahway, New Jersey. The company has twenty-six plants in the United States, fifty-one plants overseas, and twelve experimental farms and research laboratories in eighteen locations worldwide. Merck has close to 35,000 employees--16,500 of whom are based in the United States.

B. Merck Philosophy on Family Support Activities and Benefits

Merck has recognized that lifestyles and family patterns have changed significantly over recent years. Working women, women with small children, and dual-career couples make up an increasingly substantial part of the work force. The changing life patterns have placed more and more employees in the position of balancing the demands of family life with the demands of the workplace. In its family support activities, Merck has the objective of helping employees arrive at an effective integration of these two arenas of life. It is Merck's strong belief that family support policies and practices can help significantly to reduce the stress the employee feels from the increased demands of a fuller lifestyle. The reduction of stress has an obvious benefit to the employee; it also can positively affect the employee's productivity on the job.

C. Major Study of Work and Family Life

During 1984, Merck, in conjunction with the Bank Street College of Education in New York City, embarked on a major study of the relationship that exists between work and family life. The Bank Street study promises to be the most comprehensive study of its kind to date, and is being conducted in tandem and in cooperation with a number of

similar European studies. The study has as its objectives to determine how effectively present-day employees at all levels are balancing the differing demands of work and family life and to suggest possible employer approaches that will assist employees in arriving at a more effective balance between work demands and family responsibilities. A detailed questionnaire, focus group discussions, and personal interviews are being used as methods of analysis and data collection.

D. Family Support Policies and Practices

Merck has implemented a number of policies and practices that are responsive to family life demands and changed life-styles. The company also continues to test additional approaches and will be reviewing other approaches as a result of the findings of the Bank Street study.

Merck Maternity/Child Care Policy

For over thirty years, Merck has had a maternity leave policy. Since its inception, the policy has undergone a number of changes and improvements, including a recent extension of the policy's benefits to the father. Currently, Merck provides a leave of absence from work for up to eighteen months. The mother is paid during the period of disability (commonly about six weeks). After an absence of six months, the employee will be returned to the previous position wherever feasible or to one of like status and pay.

For absences of more than six months and less than eighteen months, the company will provide a return to employment, but the employee may not be granted the former position or one of like status. However, every effort will be made to place the employee in a position that is consistent with the employee's qualifications. Leaves after the period of disability are without pay; however, medical and dental benefits continue up to a maximum of eighteen months.

Child Care Assistance

Merck has recognized that an effective and less stressful return to work after maternity leave is largely dependent on the availability of quality, accessible day care. While some dual-career families can make use of their own family support systems to care for their new child during working hours, others, because of distance from extended family members, may not be so fortunate. Availability of close-by day care operations differs from locale to locale, and the search for such facilities can, in itself, be stressful, particularly where the search results in the identification of limited acceptable options. Recognizing this, in late 1978, Merck began discussions with a group of employees at its Rahway headquarters who had indicated an interest in more readily available day care. A feasibility study was conducted, and in 1980, the Employees' Center for Young Children was opened near the Rahway work site. Merck was instrumental in providing start-up funding, advice, and guidance during the organizational phase of this

center. The center is self-supporting and is operated by a board of directors composed of professional and accredited staff members from the center and parents of children enrolled in the center. Merck is not involved in the daily operation, nor does it provide continuing operating funds (funding is provided from tuition fees), but the company does provide a variety of "in kind" services (telephone, printing of brochures, etc.) and is always available for advice.

At its second largest location, in West Point, Pennsylvania, Merck used another approach. A number of already existing child care centers were in place in relative proximity to the West Point facility. However, their space was limited and therefore provided little availability to Merck employees. After extensive research into the quality of care provided by these centers and the credentials of the operators, Merck selected one to be the recipient of a company grant in exchange for preferential admission for Merck employees. The Merck grant also enabled the center to expand its services and facilities.

Flexible Working Hours

Increasingly, and particularly for the growing number of dual-career couples and working mothers, family demands are more difficult to respond to solely during "traditional" after-hours time. Dentists and doctors don't often adapt their hours to the changed lifestyles of their patients. A sick child frequently requires a parent to take time off

from work--during traditional working hours. In an effort to provide additional flexibility to employees for whom family demands were more frequently clashing with work demands, Merck instituted Flextime at many of its locations. Flextime, not specifically designed solely as a family support approach, allows any employee to more effectively handle personal demands (as well as recreational or scholastic activities) during the normal workday hours, while at the same time preserving the total hours worked by the employee. Not only does Flextime offers benefits to the employee as a method for better balancing conflicting demands, it also shows evidence of benefits to the company in the form of reduced absenteeism, less tardiness, and reduced need for personal time off. Employees at Merck work a "regular" day in terms of hours worked, but they may begin work as early as 7:00 a.m. or as late as 9:30 a.m.

Other Alternate Work Patterns

Although it has not yet established patterns of work scheduling, Merck has tested a number of other alternate work arrangements to provide additional flexibility to employees. Two other notable approaches that are being used with increased frequency are FlexPlace and part-time work. These have occurred primarily in situations where the job is "computer-related," with employees who can use terminals to do their work as easily in a location outside of the office--usually the home. The use of FlexPlace and part-time work has generally been limited to a special-case

basis, most frequently involving a female employee who is returning from maternity leave. FlexPlace allows the employee to begin the transition back to work earlier, while at the same time allowing an opportunity for the employee to handle demands that continue in the home setting. Similarly, part-time work in association with a maternity leave returns the employee to the work setting earlier, albeit on a reduced and gradual schedule.

Employee Assistance Program

Merck, like a growing number of companies, recognizes that a wide range of medical, behavioral, personal, and family difficulties and needs will potentially present problems that are not directly related to the job but that can eventually affect an employee's productivity on the job. Merck also recognizes that it cannot hope to answer all of the needs of the employee when a problem arises, nor should it. The employee continues to have the primary responsibility for managing his or her life. The role of the company should be one of appropriate flexibility and support--and, in the case of major problems--an extra measure of understanding. The company can also be instrumental in bringing the employee into contact with appropriate outside agencies that have the expertise necessary to address a particular personal problem. Many problems can be successfully resolved if they are identified early and if referral is made to the appropriate resources.

The Merck Employee Assistance Program provides confidential counseling for a wide range of problems--from alcoholism and drug abuse, to family or marital difficulties, to legal or financial worries. Counseling services are provided by an outside professional counseling group affiliated with a local hospital. The service brings the employee, wherever additional support is required, into contact with experts in providing professional guidance for a range of stressful situations. The objective of the company is to encourage the employee to voluntarily seek help where it would be useful and to have available the best possible resources to resolve problems of a personal nature.

E. Summary

Merck's approach to family support policies and practices recognizes the fact that the life of the average employee has increasingly become more complex over recent years. The traditional family structure has given way to a myriad of differing lifestyles, which bring with them a very different set of problems, stresses, and demands for the individual. As peoples' lives have changed, so must the corporation's adaptation to these changed life patterns evolve to a point where there is a useful integration between an employee's family life and work life. This integration is an important factor in the employee's

maintaining a life that is fulfilling and in the corporation's maintaining a productive and focused work force.

F. A Philosophical Footnote

As organizations continue to evolve in their adaptation to the changed values and lifestyles of their work forces, it is important to note that the changes we face and are gradually implementing are not summarily welcomed by all members of the organization. Resistance is present, at times, not only from those who are in managing roles. There are many people in organizations who have grown up with very traditional values and familiarity with very traditional work patterns (i.e., the nine-to-five workday). These people have operated for a large part of their lives in a structured environment and an organizational framework and see them as still fully adequate and effective. Many do not accept the need to change; many find some of the prospective changes disruptive.

An increased role of the corporation in providing programs that are supportive of lifestyle changes and especially family structure changes often clashes with some very traditional--and very ingrained--American beliefs.

These include:

(1) The belief that an individual's personal life situation is his/her sole responsibility--separate from the corporation. Each person has the responsibility to balance his/her own life--on his/her own.

(2) The belief that it is not the role of the corporation to solve--or become heavily involved in--what is essentially a "nonwork" arena.

(3) The fear of a rather substantial (but decreasing) number of managers that many of the potential workplace changes will negatively affect productivity and lessen the control they have over their employees. (For example: How can you manage a work group that is reporting for work at many different times? How can you manage--and evaluate--an employee working at home on a terminal in a FlexPlace arrangement?)

Resistances do exist. But the forces of change are proving to be more powerful than the resistances. Sheer demographics are forcing change to occur. As more and more of the work force finds itself personally involved in a changed life situation, an understanding of the need for changed and more supportive organizations is developing. Also, more and more organizations are finding that it is

"good business" to be flexible and supportive; even more important, it is increasingly necessary to implement change in order to maintain (and improve) employee motivation and productivity. As more organizations recognize this, and as an increasing number of employees have working spouses, children in need of auxiliary care, and needs for flexibility in work scheduling, the organizations we are a part of will adapt in order to continue to exist and be successful.

2. American Can Company

Paul Moyer, Former Vice President,
Compensation, Benefits and Labor Relations

In the late 1970's, while the United States was in the midst of rapid demographic and labor-market transitions, the American Can Company began to recognize the changing composition of its own labor force and realized that its traditional benefits program, geared toward the typical male worker with a stay-at-home wife, would no longer meet the needs of the contemporary American family. The company was also concerned about the escalating costs of benefits and set out to design a new system for delivering benefits to its employees.

A flexible benefits program appeared to be the ideal way for American Can to meet the dual objectives of satisfying employees' needs and allowing the company to manage the increasing costs of benefits. The flexible benefits program separates the traditional benefits plan into a core package and a group of flexible credits, thereby providing employees with a basic level of security and the choice of purchasing additional options, which range from savings benefits and health, life, and disability insurance

to vacation, day care, and financial planning. Based on its experience thus far, American Can believes that:

(1) An existing benefits program can be split into nonflexible and flexible portions in a cost-effective way rather than merely adding flexibility on top of an existing high-cost benefits package;

(2) First-dollar medical benefits are not necessarily sacred to employees--only 10 percent of American Can's workers used their credits to buy back previous first-dollar medical coverage, while 90 percent of workers found deductibles acceptable if the dollars saved could be spent in another form; and

(3) A large organization can establish and administer a flexible benefits program with a wide variety of choices.

The response to American Can's flexible benefits program has been extremely positive, and, in fact, a 1982 survey of employees found that 72 percent rated the program as either very good or excellent. American Can attributes much of this program's success to the opportunity it affords employees in making their own choices, to the role it gives them in the decision-making process, and to its potential in helping the employer to control future increases in benefits costs.

A flexible benefits program has the potential to maximize employee satisfaction while eliminating unnecessary waste, but the success of such a program depends, to a large extent, on the corporate culture of an organization and its ability to administer flexible benefits. The American Can Company apparently has a corporate culture that fosters the kind of flexibility and diversity needed to accommodate the dramatic changes in U.S. society and to respond to the effects of those changes on workers and their families.

3. Steelcase, Inc.

Cal Jeter, Director,
Employee Services and Information

Pat Ward, Coordinator,
Child Care Service

Steelcase is the world's leading designer and manufacturer of office furniture, systems furniture, office lighting, and computer software programs to assist those who plan, provide, and manage effective and efficient office environments.

Steelcase employs 8,000 people at its corporate headquarters in Grand Rapids, Michigan. Steelcase's commitment to its employees and their families is inherent in the company's philosophy that the key to corporate success is threefold and includes: (1) identification of the needs of people; (2) balancing individual group needs for the mutual satisfaction of all groups; and (3) supporting the individual group needs for the collective benefit of all the groups.

Good labor relations, enhanced through a family-oriented benefits program, have been instrumental in Steelcase's never having had a work stoppage due to a labor dispute since the company was founded in 1912. Steelcase's turnover rate is less than 4 percent, one-half the national average, and employee loyalty is high: more than 36 percent of the work force have at least ten years' experience with Steelcase, 20 percent have fifteen years' experience. Steelcase realizes that both the company and the employee are making investments in each other as partners. The employee seeks motivation, recognition, and compensation, and the company seeks commitment, pride, and performance. A strong employee benefits program accomplishes both objectives.

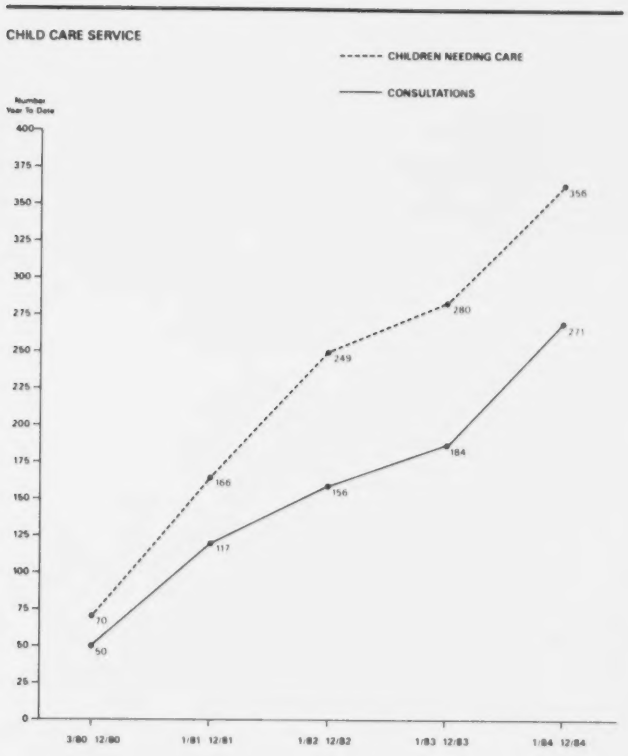
Steelcase has many employee benefits and policies that demonstrate the company's philosophy of people being its most valuable resource. Steelcase has an open-door policy, an in-house counseling service, preretirement counseling, flexible benefits with a child care reimbursement account, a rehabilitation program, a recreation program, a wellness program, nutrition-oriented food services, career counseling, a van-pool program, flex- and part-time work schedules, summer employment for employees' children, job security, and profit sharing. In addition, Steelcase initiated a comprehensive child care service in 1980.

The Child Care Service is a branch of the Human Resources' Employee Information and Services Department. It is staffed by two full-time Child Care coordinators. The goal of the service is to assist Steelcase employees in maintaining and/or improving the quality of their family lives. The Child Care Service accomplishes this goal by providing services that help employees, as parents and parents-to-be, to obtain a balance between work and family responsibilities. The Child Care Service helps to improve overall productivity by enhancing a quality workplace and by encouraging a loyal and cooperative work force.

How We Respond to Employees' Needs

Steelcase management began its Child Care Service in 1980 because it saw a need to help alleviate the stress experienced by employees who were having difficulty in finding and keeping quality child care arrangements. This stress spilled over into the workplace. The Child Care Service provides childrearing information, referral to caregivers, parent education seminars, technical assistance to child care programs, and advocacy for families and children. The referral component of the Child Care Service matches employee child care needs to community child care

programs and works with those programs to increase the quality and variety of child care available. Since the Child Care Service's inception, the program has experienced a steady increase in use by employees. The following graph illustrates the program's five-year growth.



The Steelcase Child Care Service helps parents find the care that satisfies each family's needs and helps them develop confidence in choosing a child care arrangement. Child Care coordinators maintain contact with both the parents and the child care providers. The coordinators act as consultants and, if the need arises, as mediators to assist parents and providers in resolving problems.

Employee evaluation surveys are done six months after care has been found. Surveys are voluntary and are done by phone and mail. Employees feel that the Child Care Service has a positive effect on their ability to perform at work. Anxiety about the care their children are receiving while they are at work decreases employee effectiveness. The Child Care Service helps reduce the stress of balancing work and family responsibilities. Ninety-eight percent of the employees who used the service would recommend the service to a co-worker or use it again themselves. Ninety-five percent of the employees who used the service found the service helped them know what to look for in choosing care for their children. Ninety-four percent of the employees who used the service to find care felt more relaxed and productive at work.

Child Care Service Components

The services available are offered to all Steelcase employees and members of their immediate families. There is no charge to employees for these services. Under the new flexible benefits program, employees can direct benefit dollars into a dependent care reimbursement account for their child care expenses.

Child Care Services offered include:

Referral:

* Assistance in finding quality child care arrangements for infants, children, and teens. Many types of care are explored: in parents' homes, in someone else's home, and in centers. The Child Care Service focuses on referral for practical reasons--a variety of child care options are needed to meet parental preferences.

* Child Care searches are done to locate the type of care parents are looking for. Employees are given the names of several caregivers to interview. Parents are encouraged to interview more than one person before deciding to hire a caregiver. Then parents are urged to get to know the person they have chosen.

* The Child Care coordinators make visits to all child caregivers before they are referred to parents. Only registered or licensed caregivers are referred.

* To help the caregivers, the Child Care Service provides workshops and newsletters;lends equipment;and promotes good business practices. These services help the caregivers do a better job for Steelcase employees and their children.

* The Child Care Service also offers parents help with special child care needs, such as part-time and nighttime care, camps, and custody.

Workshops:

* Speakers, films, and books are provided to help employees be confident, well-informed parents.

Newsletters:

* A monthly Child Care Service newsletter filled with ideas to help young children grow, learn, and have fun is distributed. Copies are mailed to caregivers and parents. Approximately 800 newsletters are mailed each month.

Library:

* Employees and caregivers can use the Child Care Service library of books and magazines on raising children and family living.

Information:

* Employees and caregivers can also call or make appointments with the Child Care coordinators to discuss everyday concerns about children.

Helping Child Care Providers

The Steelcase Child Care Service offers many kinds of assistance to child care providers. The Child Care coordinators develop an ongoing relationship with the child care providers serving Steelcase families. Consultations through phone calls and home visits offer providers opportunities for professional growth. A monthly newsletter offers new insights and practical tips on child care. Participation in the Steelcase Child Care Service network helps providers develop professionally and overcome the isolation that some feel. The Child Care Service also lends cribs, high chairs, infant car seats, and educational materials to child care providers.

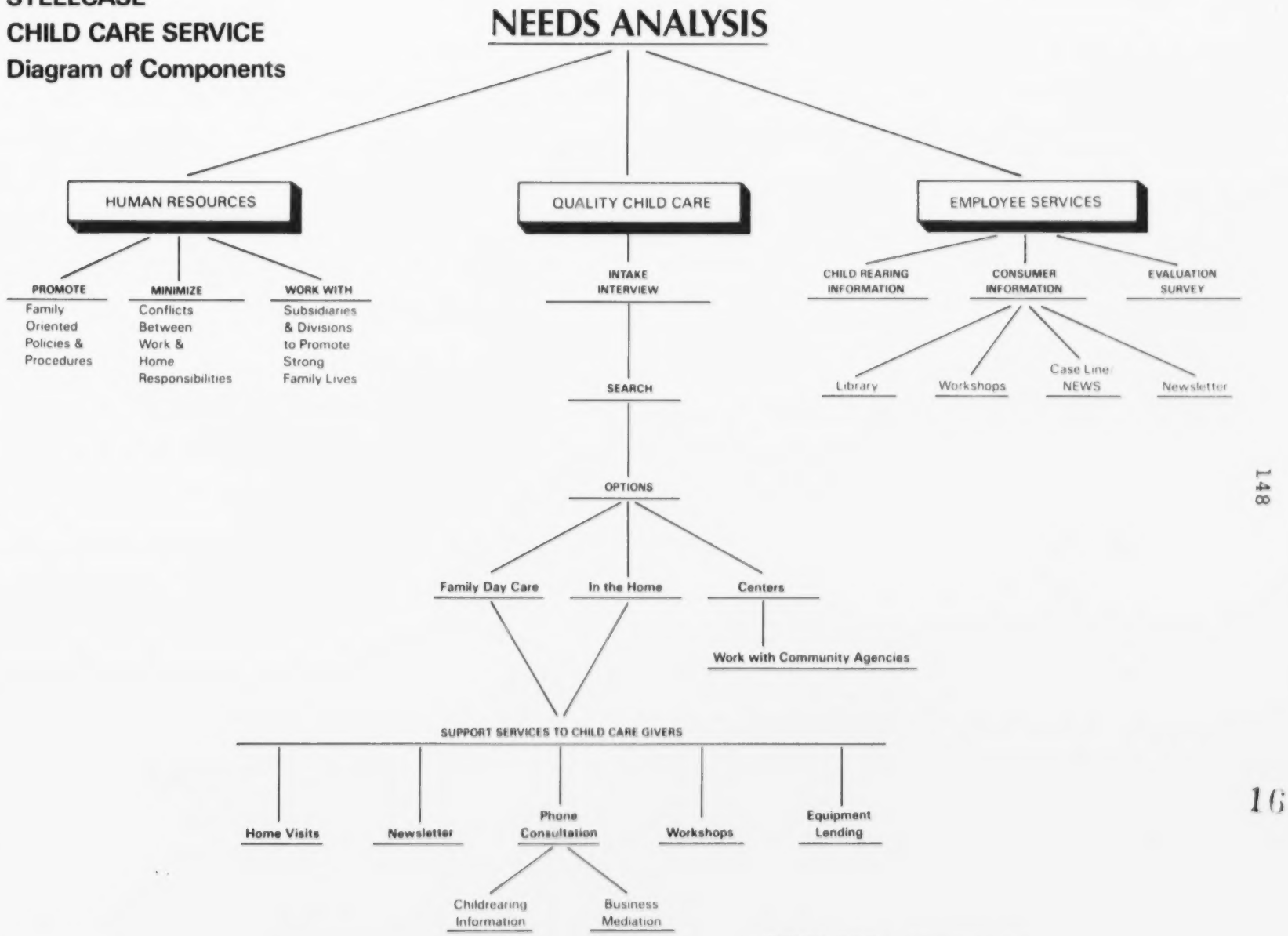
Support services for providers encourage them to offer the Child Care Services needed by Steelcase employees and to develop informed caregiving skills. These services strengthen the child care community, so that it continues to be a rich and varied resource for referral.

Helping Employees and the Community

The Steelcase Child Care coordinators encourage the development of the community's child care resources when they offer support and opportunities for professional development to child care providers. The coordinators also participate in community organizations that serve families and children. They work closely with agencies such as the Department of Social Service Division of Child Day Care Licensing, Community Coordinated Child Care, Family Day Care Association, Association for the Education of Young Children, and the Center Director's Association. The Child Care Service also confers with other employers involved in employer-supported child care.

Two-paycheck families and single-parent families are permanent parts of the changing work force. The Child Care Service provides the company with an employee service that meets employee needs and enhances Steelcase's role as a good neighbor in the community. Steelcase feels that when high-quality child care is encouraged, the company, its people, and their children benefit--and so does the whole community.

STEELCASE
CHILD CARE SERVICE
Diagram of Components



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4. Service Employees International Union, AFL-CIO-CLC

John J. Sweeney, International President

The debates on family policy and issues affecting women workers all too often ignore the fact that these are problems in the workplace, not merely problems at home. The labor movement, therefore, has always been concerned with providing supportive programs to enhance workers' ability to care for and nurture their families.

We have supported legislative efforts to establish minimum wages, enact child labor laws, eliminate discrimination in employment, provide income protection, and insure adequate health care to millions of Americans. In addition, the labor movement has always supported public education, safety and health laws, and consumer legislation, all of which have the ultimate goal of making the job of raising a family a bit easier for Americans. We have pursued these efforts because of their importance to the maintenance and strength of the American family. In addition, the labor movement has, by necessity, pursued major efforts through the collective bargaining process to deal with the problems of low- and moderate-income families.

The maintenance of income levels is one area where organized labor has played a major role. It is also important to recognize that unions, through the collective bargaining process, have raised the wages of all workers in our society, whether they are union members or not.

The Service Employees International Union (SEIU) has been one of the most vocal and active supporters of pay-equity efforts. SEIU has long advocated the elimination of sex-based wage discrimination through the bargaining process. SEIU locals all over the country have used their strength at the bargaining table to negotiate for pay equity. In fact, ten years ago SEIU bargained for its first pay equity adjustments for clerical workers in Santa Clara County, California. In Contra Costa County, the union recently bargained a 3 percent pay equity increase for female-dominated job titles in addition to a 5 percent general wage increase. And 30,000 California state workers in female-dominated job categories, including clerical employees, nurses, and librarians, received equity adjustments in addition to a 8 percent pay increase, thanks to the efforts of SEIU local 1000. Recently, in one of the largest pay equity actions ever filed, SEIU charged the county of Los Angeles with "deliberately maintaining sex and race segregated job classifications and discriminating in compensation paid to its female and minority employees." The union filed a complaint with the Equal Employment

Opportunity Commission on April 29, 1985, accusing the county of wage discrimination that affects between 30,000 and 40,000 employees.

While SEIU recognizes that challenges and legislative efforts are components of a strategy to eliminate wage discrimination, its successes have come mainly through the power brought to bear in wage negotiations. In the end, pay equity is an issue that must be dealt with at the collective bargaining table. Eliminating discrimination in wage and benefit structures and upgrading the pay of female-dominated job titles are priority issues for SEIU locals.

SEIU locals are also emphasizing the importance of child care at the bargaining table. For example, SEIU local 285 in Boston opened an on-site day-care center at Boston City Hospital in May 1982, which was the product of a joint labor-management committee on child care established previously in negotiations between the union and the employer. The union struggled to get that center operational and continues to fight for high levels of funding to allow service expansion to meet growing needs. Another SEIU local negotiated for a pilot information and referral service. Local 399 finally achieved this goal after ten years of grass-roots organizing and activity on the part of its members. Although most unions have met with limited success so far in negotiating employer-sponsored programs, SEIU locals continue to bargain for child care benefits.

The ability of unions to bargain over issues other than pay structures helps workers and their families in other vitally important ways. SEIU plans to continue its efforts to upgrade the pay of women's jobs, but has recognized that the problems of the wage differential between men and women will never be totally solved until there are effective training and career-development programs that allow workers to move into higher-paying jobs. Therefore, through its LEAD program, SEIU has developed apprenticeship programs in the service sector. These programs permit workers to maintain their current jobs and still get the necessary education, training, and accreditation to move into better-paying jobs. For example, nurses' aides and orderlies are apprenticed to become LPNs, and LPNs are apprenticed to become RNs. These programs range from basic education efforts to the establishment of comprehensive career ladders within the workplace. They also involve joint efforts of labor, management, and the local educational institutions in endeavors to train, upgrade, and educate workers for the benefit of the employer and the employee.

Another important issue that SEIU has dealt with through the bargaining process is flexible work hours. SEIU has moved to negotiate flexitime provisions in contracts to allow workers a wider range of options in scheduling their work and juggling the demands of their family life. SEIU

locals have also bargained over parental leave policies, attempting to ensure that workers receive a steady stream of income during and after pregnancy.

SEIU locals have attempted to address these issues, which we consider vital to the future of the American family, primarily through the bargaining process.

In-house SEIU Policies

At SEIU headquarters in Washington, D.C., employees are provided with six months of maternity leave, which can be taken with no loss of seniority and with a job guarantee. SEIU also provides a flexible work-schedule option for its employees at the union's headquarters. All phases of the flexitime schedules are reviewed by a joint labor-management committee, on a department-by-department basis, and its recommendations are sent to the international president for approval.

In addition, SEIU has been actively exploring the possibility of child care for its headquarters staff. Although the District of Columbia code prevents the union from establishing a child care facility in its headquarters, other possibilities are being pursued.

5. Communications Workers of America, AFL-CIO

James B. Booe, Secretary-Treasurer

The problems of wage discrimination against women are well-documented and much discussed in our society. As an employer of about a million people, the Bell System reflects such societal trends. To understand the scope of CWA's efforts toward reducing the effects of discrimination in the workplace, it is necessary to describe the findings of the Equal Employment Opportunity Commission when it looked at AT&T in 1971. It found that:

(1) Sex segregation was extensive--almost every low-paying job in the Bell System was a "female" job.

(2) Males were excluded from "female" jobs and females excluded from "male" jobs on a consistent basis regardless of whether bona fide occupational qualifications could account for the segregation.

(3) The Bell System's recruiting, hiring, and promotion practices restricted opportunities for women through various institutional and organizational structures.

(4) Sex-stereotyping of jobs and departments inhibited equal opportunity between the sexes for promotion to better-paying positions.

(5) Even if women did receive promotions, their wages were lower than the equivalent male, based upon their lower previous wage.

With the problems identified, the government and AT&T entered into a consent decree in 1973. Not satisfied with the speed with which the consent decree was addressing the problem, CWA launched its own study of job titles and pay grades within the Bell System. The study group paid special attention to clerical jobs, many of which were undervalued over the years through job segregation and wage discrimination.

Our study found three fundamental problems that led to discrimination:

(1) lack of uniformity in job titles--a job function was classified differently depending on the location or division;
(2) excessive number of job titles; and
(3) too-narrow clustering of pay rates, especially for clerical workers, which meant that a woman worker had to be promoted many times before she saw a substantial wage increase.

Armed with this information, CWA initiated a bargaining strategy aimed at eliminating wage discrimination based on sex. In 1977 and 1980 national bargaining with the Bell

System, we eliminated most of the unoccupied clerical titles, reduced the number of clerical wage groups, and upgraded the service representative and operator classifications.

Another outcome of the 1980 bargaining was the establishment of a joint union-management job evaluation committee. Job evaluation is the cornerstone of pay equity. Without effective research on existing job content--on hiring--and on pay and promotion practice, there could be no real movement toward ending discrimination.

The joint committee established two key ground rules: one, that there had to be a carefully designed evaluation system to identify and score specific job factors; and two, that employees could appeal the scoring, job description, and relative worth of their jobs. The committee then started its most critical task--documenting the work of AT&T employees. Twenty-five test jobs, representative of the race, sex, and geographic and occupational distribution of Bell workers, were selected for in-depth study. With the job studies, the committee began to devise a set of compensation factors and a scoring system to evaluate jobs.

There is no question that it was difficult to incorporate the principles of pay equity into the compensation factors. The joint committee was fighting years of sex differentiation, in both the Bell System and society at large. Past job evaluations actually transferred biases into the wage-setting process.

The job evaluation group therefore selected and measured factors that apply equally to both "men's" jobs and "women's" jobs. These factors, for example, account both for the heavy physical demand present in male-dominated jobs and for the physical stress, fatigue, and mental demands evident in female-dominated jobs. The next step in this process involved testing the factors to purge the evaluation plan of any remaining biases. Recommendations for final, across-the-board implementation were made in the 1983 collective bargaining session.

With federally mandated divestiture splitting up the Bell System, however, the AT&T pay equity program has moved from the national level to the local level. Now CWA and each Bell operating company, as well as each AT&T unit, will implement pay equity through individual joint committees.

In addition to the over 500,000 telephone workers it represents, CWA represents about 80,000 public employees. Mindful that these problems also exist in the public sector and having learned from our experience with the Bell System, CWA has recently constituted a task force on comparable worth and pay equity. This task force coordinates the efforts of our legal department, legislative department, research department, and public relations department as we pursue our efforts at the state and local levels. We intend to continue to document such wage discrimination. After we

document it, we will publicize it and then make sure that it is addressed by contract or by changes in legislation or by court action when appropriate.

And finally, the union itself sponsors internal forums to help define this and other issues that affect women at work. Six years ago we had our first national women's conference. Since then, our twelve districts have held numerous women's conferences to help identify the problems and develop strategies for dealing with them. At another recent national women's conference for CWA, we were very encouraged by the commitment, dedication, and leadership that our members demonstrated. While there is still a great deal of work to be done, I am hopeful that CWA's legislative, political, and collective bargaining efforts will eradicate the shameful exploitation of women.

6. Empire State Day Care Services Corporation

Molly Hardy, Executive Director

As a result of the "quality of work life" initiative now developing in New York State, a network of day care centers has been established at several state facilities. The Empire State Day Care Services Corporation is a nonprofit organization that offers technical assistance, networking, training initiatives, and information-sharing to these day care programs. Empire State Day Care programs represent a breakthrough in the development, organization, and administration of affordable and high-quality child care centers. There are currently twenty-three centers operating and twenty more in the planning stages. The programs are initiated by the joint labor-management quality of work life committees of New York State. Union members viewed day care as a necessity for working parents, and management thought that day care could enhance its recruitment and retainment efforts. The labor-management committee determined that child care arrangements had a significant impact on the quality of working parents' lives, and a proposal was set forth to establish a network of day care centers at New York State facilities.

Centers are initially funded with seed money from the state-level joint labor-management committees representing the Public Employees Federation, the Civil Service Employees Association, Council 82 of AFSCME, United University Professions, and the Office of Employee Relations Division of Management/Confidential Affairs. The start-up funds are used for the purchase of equipment and other incidental costs, while the state provides the space, maintenance, and utilities at each day care center. Preliminary designs for each program and proposals for seed-money grants are developed by the local joint labor-management committees and by Empire State. Proposals are then submitted for review and approval to the statewide day care labor-management committees and the Division of Management/Confidential Affairs, who are the funding sources. After a proposal is obtained from the Department of Social Services, the day care program is established. Although every program is incorporated as an Empire State subsidiary, the local board of directors and the program director oversee day-to-day operations with administrative oversight provided by Empire State. Programs must become self-sustaining, and expenses are covered by parental fees, based on a family's income, and by local fund-raising efforts.

Through Empire State Day Care programs, 1,200 children are now receiving child care services. The programs are rapidly expanding, and in a survey conducted at one center, Empire State found that 83 percent of parents worried less

about their children who were enrolled in the program. Some of the findings of an evaluation of Empire State's Day Care pilot (at the Children's Place on-site center) about the effect of on-site child care on job performance were as follows:

Effects on Employment Status

* The Children's Place has had some effect on women's job status. Forty-five percent of the fifty-eight women who responded reported that the center enabled them to either remain employed, become employed, or return to work sooner than would otherwise have been possible.

* Thirty-five percent of the state-employed women reported that the center had an impact on their ability to work or to continue to work.

Effects on Employee Absenteeism

* Seventy-three percent (eleven) of the parents reporting reduced absenteeism were state employees.

* Eighty-one percent (nine) of the state employees reporting reduced absenteeism were women.

Effects on Worker Productivity and Satisfaction

* Forty-seven percent of the respondents strongly agreed or agreed that their work productivity has improved since their children have been at the center.

* Eighty-three percent strongly agreed or agreed that they worry less about their children.

* Seventy-four percent disagreed or strongly disagreed that they felt guilty leaving their children at the center each day.

* Sixty-two percent agreed or strongly agreed that they would have child care problems without the Children's Place.

Parent Participation

* The Children's Place facilitates daily contact for those parents who are able to leave their jobs to visit.

* Eighty-six percent of the fourteen parents who reported daily visits are mothers; 66 percent (twelve) of these are mothers of infants.

Perhaps the most outstanding feature of the Empire State Day Care Services Corporation is its ability to involve all actors in the workplace and community in the struggle for the provision of decent child care. Much of Empire State's success is due to the personal interest of state officials who closely monitor the program, but it is significant that at every level there is concerned involvement. These genuine cooperative efforts are most likely responsible for the positive results gained so far through these day care programs.

THE ECONOMIC POLICY COUNCIL

The Economic Policy Council (EPC) of the United Nations Association of the United States of America (UNA-USA) was founded in 1976 as an outgrowth of the turbulent international economic scene of the early 1970's. Its mission is to sponsor a systematic and constructive involvement in international economic problems by the American private sector. The EPC is committed to representing the views of both management and labor. Its membership comprises a cross section of U.S. business and labor leaders, who, in collaboration with economists and informed professionals, are able to come to policy recommendations that have special legitimacy because management and labor represent the two most important elements in the U.S. domestic economy. The EPC is cochaired by Robert O. Anderson, chairman of the Atlantic Richfield Company, and Douglas A. Fraser, president emeritus, International Union-United Auto Workers. Its expanded Steering Committee consists of Charles F. Barber, former chairman, ASARCO, Incorporated; Henry Kaufman, executive director, Salomon Brothers Inc; Ray Marshall, Bernard Rapoport Professor of Economics and Public Affairs, University of Texas at Austin; Jack Sheinkman, secretary-treasurer, Amalgamated Clothing and Textile Workers Union, AFL-CIO; Thomas A. Vanderslice, president and chief executive officer, Apollo Computer Inc.; and Lynn R. Williams, president, United Steelworkers of America, AFL-CIO-CLC. The EPC now has over one hundred members.

EPC members are brought together in study panels to analyze major international economic issues affecting long-run U.S. relationships with both developed and developing countries. Every year, the EPC branches out into three panels, each of which addresses a specific topic such as **"The Jobs Challenge: Pressures and Possibilities"**; **"The Global Repercussions of US Monetary and Fiscal Policy"**; and **"The Productivity Problem: U.S. Labor-Management Relations"** (to name three recent panels). The EPC both identifies critical policy questions and makes recommendations to Congress, the administration, international organizations, and the U.S. business and labor sectors. Council members testify at hearings in the House of Representatives and in the Senate; cabinet-level officials and leading congressional figures attend the annual plenary sessions of the EPC to engage in an informal exchange of views; and several study panels have met with and advised presidential task forces.

The EPC plays an important role in UNA-USA's multilateral approach to global problems. Through its study of international economic issues, the EPC contributes to the ongoing effort to find multilateral solutions for problems confronting the global economy. As part of

UNA-USA's Policy Studies Outreach Program, the EPC holds outreach conferences in major U.S. cities across the country. These conferences allow the Council to more widely disseminate the recommendations of its panel reports and to present a forum whereby UNA-USA chapters nationwide can draw attention to and focus on the conclusions of these studies.

Currently, the EPC is conducting a panel study on "U.S. Policy Toward the Newly Emerging Industrial Countries," and plans are also under way for a new panel study for the spring.

The EPC is nonpartisan and is funded by the voluntary contributions of its members and through foundation support. With its successful nine-year history, the EPC is one of the most experienced labor and management groups working in the area of international economic policy. The accumulated expertise of the EPC should play a constructive role in the development of public policy in the 1980's.

DECEMBER 1985

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